

Rural income in the People's Republic of China, 1952 to 1957,
with special reference to Guangdong province

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December 1980

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Abstract

This thesis analyzes aspects of rural income in the South Chinese province of Guangdong during the period 1952 to 1957. Its focus is upon rural personal income, i.e. income in cash and in kind available to rural dwellers for the consumption of goods and services. It uses primarily Chinese language materials, of which the most important is the daily newspaper of Guangdong province, the Nan-fang Ri-bao (Southern Daily).

It examines five related issues. (1) The average level of personal income of the Guangdong farm population in the mid-1950's: this is looked at in financial terms, in terms both of the level of consumption of goods and services that it provided, and the energy consumption given by the food intake. (2) Changes in the average level of rural income between 1952 and 1957. Here the author analyzes changes in farm output, in the conditions of disposal of farm output as well as direct evidence on changes in the average level of personal income. (3) The relationship between urban and rural incomes: the author examines the extent of the gap in personal income between the two sectors in the mid-1950's, looks at evidence on change in the gap between 1952 and 1957, and at government policy towards the issue. (4) The spatial aspect of rural income inequality: the inherited structure of regional inequality in the province is outlined, and an assessment made of the impact upon this of the economic policies of the post-1949 government. (5) Inequality of income within the village: the author outlines briefly the nature of the inherited structure in Guangdong's villages, and examines the impact on this of three phases in post-1949 policy-land reform, the period from the end of land reform to collectivisation, and collectivisation itself. In the conclusion to the thesis the author summarises his results for the period 1952 to 1957, and outlines the long-run experience of the province in the 1960's and 1970's in respect to these same issues.

Major personnel referred to in Thesis

Chen Yu.	Governor of Guangdong province, August 1957 - ?
Deng Zi-hui.	Head of CCP (All China) Rural Works Department, 1953 - early 1960s (at least).
Gu Da-cun.	Vice Governor of Guangdong province, 1949 - 1957 (?)
Tao Zhu.	Acting Governor of Guangdong province, 1953 - 55. Governor of Guangdong province, February 1955 - August 1957.
Zhao Zi-yang.	Vice-Chairman of Guangdong People's Government Land Reform Committee, 1951. Director of Rural Works Department, South China Party Sub-Bureau, 1953 - 55.

Table of conversions

1 mou	=	0.0667 hectares
	=	0.1647 acres
1 dan	=	0.05 metric tons
	=	50 kilograms
	=	110.23 pounds
1 jin	=	0.5 kilograms
	=	1.1023 pounds
1 chi	=	1/3 meter
	=	13.123 inches

Abbreviations used in thesis

AHRB	An-hui Ri-bao (Anhui Daily).
APC	Agricultural producer co-operative.
CCP	Chinese Communist Party.
CJYJ	Cai-jing Yan-jiu (Financial Research).
CQ	China Quarterly.
DE	The Developing Economies.
DGB	Da Gong Bao (Impartial Daily) (Beijing).
DLZS	Di-li Zhi-shi (Geographical Knowledge).
ECMM	Extracts from China Mainland Magazines.
EJ	Economic Journal.
EPW	Economic and Political Weekly.
FJRB	Fu-jian Ri-bao (Fujian Daily).
FBIS	Foreign Broadcasting Information Service.
GMRB	Guang-ming Ri-bao (Guangming Daily).
GXRB	Guang-xi Ri-bao (Guangxi Daily).
GZRB	Guang-zhou Ri-bao (Guangzhou Daily).
HBRB	Hu-bei Ri-bao (Hubei Daily).
HNRB	He-nan Ri-bao (Henan Daily).
HQ	Hong-qi (Red Flag).
JAS	Journal of Asian Studies.
JDE	Journal of Development Economics
JHJJ	Ji-hua Jing-ji (Planned Economy).
JJDB	Jing-ji Dao-bao (Economic Reporter).
JPRS	Joint Publications Research Service.
JPS	Journal of Peasant Studies.
JXRB	Jiang-xi Ri-bao (Jiangxi Daily).
LD	Lao Dong (Labour).
LNRB	Liao-ning Ri-bao (Liaoning Daily).
LS	Liang-shi (Grain).
MAT	Mutual aid team.
NCGZTX	Nong-cun Gong-zuo Tong-xun (Rural Work Bulletin).
NFRB	Nan-fang Ri-bao (Southern Daily).
NYJJWT	Nong-ye Jing-ji Wen-ti (Problems of Agricultural Economics).
RMRB	Ren-min Ri-bao (People's Daily).
SaXRB	Shan-xi Ri-bao (Shanxi Daily).
SCMP	Survey of China Mainland Press.

SD	Special District.
SY	Shang You.
TJGZ	Tong-ji Gong-zuo (Statistical Work).
TJGZTX	Tong-ji Gong-zuo Tong-xun (Statistical Work Bulletin).
JJYJ	Tong-ji Yan-jiu (Statistical Research).
WHB	Wen Hui Bao (Cultural Contact Daily) (Hong Kong).
XHBYK	Xin-hua Ban-yue Kan (New China Semi-Monthly).
XHNB	Xin Hu-nan Bao (New Hunan Daily).
XJS	Xin Jian-she (New Construction).
XX	Xue-xi (Study).
XXYPP	Xue-xi yu Pi-pan (Study and Criticism).
ZGNB	Zhong-guo Nong-bao (Chinese Agriculture).
ZJRB	Zhe-jiang Ri-bao (Zhejiang Daily).
ZYHZYX	Zhong-yang He-zuo Tong-xun (Central Co-operative Bulletin).
ZZXX	Zheng-zhi Xue-xi (Political Study).

Introduction

1. Some results.

In the mid-1950's the peasants of Guangdong province were 'poor' in a fundamental sense: their average per capita daily energy intake was only just over 2,000 calories, and at least four-fifths of their expenditure was devoted to food consumption. In the early years after the revolution average rural living standards recovered quite rapidly to a level close to the pre-1949 peak, but it proved difficult to raise them beyond this level in the mid-1950's.

In Guangdong, as in other provinces, the post-revolutionary government inherited a marked gap in living standards between the average of the rural population and the average of those in regular urban employment. In the period up to 1957 the gap widened perceptibly causing serious political and economic problems. That a 'gap' existed was clear, but a detailed analysis suggested that the difference of the standard of living in the two sectors was not so wide as it appeared at first sight.

Guangdong is a large province, which in terms both of physical size and population is bigger than many LDC's. Unsurprisingly the pre-1949 countryside contained some marked regional inequalities in farm labour productivity, though gaps in per capita net incomes among farmers were reduced by higher tenancy rates in the more productive areas, *ceteris paribus*, the elimination of land rents in land reform naturally tended to benefit farmers in high tenancy areas more than those in low tenancy areas. The various state measures to extract farm 'surplus' from agriculture only partly absorbed the amount that had formerly been paid in rents. Consequently, land reform probably helped to widen spatial differentials between farmers' net incomes. Certainly, even after collectivisation there were wide differences in average net incomes between farmers in more and less favoured areas.

Within each village the effect of land reform in Guangdong was to sharply reduce the income of the stratum with generally the highest living standard - the larger landlords. From land reform to the collectivisation of 1955-6, the policies of increasing 'socialisation' in the villages tended to prevent 'polarisation' occurring between the different strata, though during collectivisation much government propaganda argued that it was in order to prevent this process worsening that the move into collectives was occurring. Within the APC's important income differences

still existed both in collective earnings and from the private sector. While the occupants of different positions in the village income hierarchy was somewhat altered by collectivisation, it is by no means certain that income inequality was in any significant sense 'reduced'.

2. Poverty and inequality of income in development economics

Until the late 1960's the major focus of writing on 'development economics' was on questions related to the aggregate growth of production and income. Since then there has been an increasing realisation that 'economic development' comprises more than growth in the aggregate sense, and that a full appreciation of the welfare significance of economic growth requires not only consideration of changes in aggregate income levels but also a consideration of the benefits accruing to different socio-economic groups.⁽¹⁾ A substantial literature on income distribution in less developed countries has been published in the 1970's.⁽²⁾ The picture that emerges from the mounting body of evidence is that in spite of relatively rapid economic growth in less developed countries in the 1960's and 1970's, the dimension of relative inequality and, indeed, of absolute poverty, are still considerable.

Unquestionably, huge changes have occurred in the economies of developing countries over the past two decades. In 1978, 38 low-income countries contained 45 per cent of the world's population (excluding the centrally-planned economies). In these countries GDP (at constant prices) is estimated to have grown by 3.9 per cent per annum from 1960 to 1970 and 3.6 per cent per annum from 1970 to 1978. The share of agriculture in GDP (current prices) in the low-income countries is estimated to have fallen from 50 per cent in 1960 to 38 per cent in 1978. Even with very rapid growth of population (well over two per cent per annum between 1960 and 1980) per capita output still has risen significantly: their annual growth of GNP per person (1980 dollars) from 1960 to 1980 is estimated to have been 1.7 per cent. Moreover, important advances have occurred in such basic indicators of living standards as child death rates, life expectancy and literacy.⁽³⁾

However, the average living standard in the low-income countries, still is extremely low. The child death rate (between the age of 1 and 4, per thousand live births) in 1978 was 20 compared to only 1 in the industrialised countries. The level of life expectancy at birth (1978) is only 50 years compared to 74 in the industrialised countries. The average daily

calorie supply per capita in 1977 was estimated at only 2052 in 1977 compared to 3377 in the industrialised countries, and the adult literacy rate (1975) only 38 per cent. Taking as the cut-off a level of income based on detailed studies of poverty in India, the World Bank estimates the number of people in absolute poverty in developing countries (excluding China and other centrally-planned economies) is around 780 million. About half of these live in South Asia, mainly in India and Bangladesh, and a further sixth in East and Southeast Asia (mainly in Indonesia). The majority are rural dwellers overwhelmingly dependent on agriculture. Although since 1960 the proportion of people in absolute poverty has probably fallen, due to population growth their absolute numbers are estimated to have risen.⁽⁴⁾

The existence of low average living standards among large numbers of people in developing countries is relatively unambiguous. Much more fraught with difficulty is the attempt to make meaningful statements about the degree of inequality in such economies.

Such attempts at generalisation have been made. For example, Ahluwalia⁽⁵⁾ in the mid-1970's carried out analysis of cross-sectional data from more than 60 countries. He used information on pre-tax income distribution from the late 1950's to the early 1970's to conclude that the distribution of income was markedly more unequal in developing countries than in the developed countries. In the 'developed' countries he suggested that the average income share of the bottom forty per cent of the population amounted to about sixteen per cent, while in the 'under-developed' countries it came to less than thirteen per cent. About half of the developing countries were characterised by 'high' inequality, in which the income share of the lowest 40 per cent averaged only 9 per cent, and another third of developing countries were said to have 'moderate' inequality, in which the share of the lowest 40 per cent fell between 12 and 17 per cent.

That the low average standard of living in developing countries is unequally shared is clear. However, the data problems involved in making generalisations of the Ahluwalia type are huge. Not only is the amount of data limited, but its accuracy and basis of collection differ enormously from country to country. Estimates on income distribution in LDC's typically are derived from surveys designed for other purposes, most often consumer expenditure surveys. Such surveys use a variety of income concepts and sample designs. With few exceptions the analysis of data does not take into account differences in household size. In addition, the coverage is often too limited to provide reliable nationwide estimates of

income distribution. Consequently, such estimates have to be interpreted with great caution,⁽⁶⁾ and very limited conclusions may be drawn.

Two obvious lines of policy are available in the attempt to alleviate poverty. They are not mutually exclusive. The first focusses on the need to increase output per person. It has been repeatedly pointed out that a strong correlation exists between the extent of poverty in a country and its level of per capita income.⁽⁷⁾ Provided population control is effectively pursued and growth sustained at an adequate level, it is argued, there will occur a 'trickle down' of income to raise the real incomes of those in poverty. However, the relationship between growth and poverty is extremely complex, and varies considerably from country to country depending on the institutional setting.⁽⁸⁾ Moreover, while the correlation between level of per capita income and poverty holds for the long-term, the short-term relationship between them is much more debatable.⁽⁹⁾ Furthermore, it is argued that strategies which help to alleviate absolute poverty may assist the growth of output i.e. the rate of returns on investment in 'human resources' is relatively high.⁽¹⁰⁾ Consequently, it is argued that redistributational strategies may be important not only for intrinsic equity reasons but also as a positive contribution to raising the growth of per capita output.

A number of policies have been suggested to attempt to reduce the dimension of inequality in the 'non-socialist' Third World. For example, many economists have noted the existence of alleged price 'distortion' leading to an understatement of the price of capital and an overstatement of labour costs. A possible policy line is to intervene in factor price markets so as to increase the price of capital relative to labour and consequently increase the absorption of labour and so, it is hoped, improve income distribution. A second possible channel is the redistribution of ownership and control over assets. This can occur either through the re-distribution of the existing stock of assets, land reform being the classic example of such a policy, or through government direction of investment towards low-income groups. A third possible policy avenue is to expand access to education for the poor groups, thereby helping to equalise the distribution of 'human' capital, considered by some to be an important cause of inequality as the concentration of ownership and use of physical assets. A fourth policy is the use of taxation, both direct and indirect, as a source of income re-distribution. A fifth possibility is the public promotion of consumption goods (e.g. nutrition programmes, rural water supply and electrification, public health expenditure) for low-

income groups which is a direct means of improving living standards for the poor. A sixth policy suggestion has been that the government should intervene in commodity markets. This may be in order to stimulate the production of commodities which tend to generate a pattern of income distribution that favours the relatively poor, or to influence and price of certain consumption goods in a way that assists the poor. A final area of possible government action is through support for technological research and dissemination of information in respect to labour intensive forms of production, which are frequently ignored in the research programmes of the advanced economies.⁽¹¹⁾ Is it likely that such measures will indeed be put into practice with the vigor necessary to make a substantial impact on the dimensions of inequality, or is it the case that the political-economic environment will prohibit this? Is it perhaps necessary for there to be a fundamental change of political-economic structures to produce extensive change in the distribution of income in less developed countries?

An important component in the argument so far has been only inadequately sketched in, and that is empirical studies of the distributional experience of poor countries that indeed have experienced such dramatic change in their political-economic environment. There is, it is true, a certain amount of literature on income distribution in Eastern Europe and the Soviet Union,⁽¹²⁾ though in these countries the level of GNP per capita is considerably higher than in most less developed economies, which limits the relevance of their experience to the debate on income distribution in the less developed countries. Moreover, the amount of data available on this sensitive issue is limited.⁽¹³⁾ A more obvious gap in the literature is the 'socialist' economies of Asia among which China is outstanding by virtue of its size, and length of experience under 'socialism'.⁽¹⁴⁾ Studies of urban inequality have been undertaken,⁽¹⁵⁾ but detailed investigation of rural income has been limited.⁽¹⁶⁾

3. The scope of the study - temporal and geographical

The focus of the thesis is upon the period 1952-1957. The data for this period are particularly rich and less subject to the kind of bias that makes data from the period of the Great Leap Forward (1958-9) especially hard to work with. During the 1960's and 1970's only a limited amount of

statistical information was published. Since the death of Mao Ze-dong (Mao Tse-tung) in 1976 much more data has been released, and this makes it possible to draw some conclusions, albeit tentative (see the conclusion), about the 1960's and 1970's so that the period 1952-1957 can be placed in perspective. Similarly, information is available on the pre-1952 period and this is incorporated where possible to place the experience after that point in a historical context.

Guangdong province was chosen as the major focus of the essay for the following reasons. Firstly, it has certain important features of geography in common with a large part of South and East Asia. It is situated on the extreme South coast of the Chinese mainland, occupying an area of over 200,000 square kilometres.⁽¹⁷⁾ In the 1950's^{of} the Guangdong economy was dominated by agriculture: despite rapid growth/industry it still produced only about one-third of the combined total of agricultural and industrial output in 1957.⁽¹⁸⁾ Most of Guangdong's land surface is hilly (see Table 4.2) so that only a small portion of it is cultivable - in 1955 the cultivated area came to only sixteen per cent of the total area.⁽¹⁹⁾ The province is dominated by two alluvial flood plains, the Pearl River Delta in the centre and the Han River Delta in the East. The Pearl River is much the larger of the two, being formed from the combined deltas of these rivers (the East, West and North Rivers). Both areas are high-yielding alluvial flood plains. The Northern two-thirds of Guangdong is in the sub-tropical zone and the Southern one-third is in the tropical zone. Consequently the agricultural growing season is long, since only in the higher area of the North does the temperature ever fall below freezing, and then only for a short time; in the South the temperature never falls below 10° Centigrade. Rainfall is high in all parts of the province, averaging 1,800 millimetres annually. The distribution is typically monsoonal, with seventy to eighty per cent falling in the rainy season from April to September. The soils generally have the usual deficiencies of high-rainfall tropical areas, with calcium and magnesium leached away from most soils. Moreover, the stripping of original vegetation over the past centuries has resulted in a severe lack of organic matter on the farmland. The most naturally fertile areas are on the alluvial floodplains.

The population density in Guangdong is high; in 1953 there were an average of 158 people per square kilometre.⁽²⁰⁾ About 82 per cent of the population in 1953 were living in the rural areas and about eighteen per cent were living in the urban areas;⁽²¹⁾ this made Guangdong one of China's

most highly urbanised provinces. In the early 1950's it was estimated that there were more than 3,000 market towns of different sizes, which was an average of one every fifteen kilometres.⁽²²⁾ Guangdong has been able to sustain the development of a large population over the centuries because its limited arable area is located in a warm, monsoonal climate, and has extensive areas of fertile alluvial floodplain with ample water supply. This has permitted the development of a high intensity of cultivation, with multiple-cropping practised widely; in many parts of the province before 1949 it was common to grow two summer crops of paddy rice and one winter crop.⁽²³⁾ A further factor facilitating the expansion of population to its level in the 1950's is the strong emphasis on foodgrains, especially paddy rice, in the total structure of farm production; in 1957, for example, 88 per cent of the sown area of the province was occupied with foodgrains, and only six per cent with economic crops.⁽²⁴⁾

Guangdong province, then, unlike the North, and West of China, has essential geographical features in common with the rest of monsoonal, rice-growing, heavily-populated Asia. Has the issue of rural income in 'socialist' China been approached in a measurably different fashion from that in the capitalist economies with similar geographical conditions, or is it the case that geographical factors cut across political differences to produce a similarity of approach in spite of the contrasts in political-economic structures?

Apart from interest in Guangdong for geographical reasons, another important reason leading to a focus on this province is the relative richness of data from there for the 1950's. The provincial daily newspaper, the Southern Daily (Nan-fang Ri-bao) is available outside China for most days on which it was published. Smaller holdings of the Guangzhou Daily (Guang-zhou Ri-bao) are available. Also there are a limited number of other journals available outside China that were published in Guangdong province, such as Shang-you (Upstream). For this province, as for other Chinese provinces in the 1950's, a small number of relevant books published at the provincial level are available. Some special sources of information exist for Guangdong due to its close proximity to Hong Kong. A variety of publications concerning the People's Republic of China was produced in Hong Kong in the 1950's, such as the journal of Economic Reporter (Jing-ji Dao-bao). Of special interest are interviews with refugees, the great majority of whom come from Guangdong since it is adjacent to Hong Kong. For the author himself to have conducted interviews in the 1970's with a view to obtaining information on the 1950's is of dubious relevance. To attempt an analysis of rural income in the 1970's through this method was a possibility, but it was felt that this would have greatly extended the time involved in the completion of this essay, which does not purport to be more than a preliminary analysis of this issue. Moreover, there are substantial problems involved in the use of data collected from refugee

sources. The most useful source of such information would have been the interviews conducted by the British and Australian governments through their agencies in Hong Kong in the 1950's, but the author was unable to gain access to such material either in Britain or Australia. Nevertheless, the body of documentary evidence that exists for this province substantially exceeds that for the most other Chinese provinces. An additional source of data of great use was in information supplied to the author as a member of the China Study Group (Queen Elizabeth House, Oxford) which conducted research in rural China in June 1979.

4. The institutional setting

The CCP came to power in 1949 with the promise that it would establish a socio-economic system which would attain fast, independent economic growth, in which living standards for the mass of the population would improve noticeably, and in which personal income would be distributed fairly. This essay attempts to analyse the degree to which these objectives were fulfilled, and the nature of the relationship between them, in the Chinese countryside in the critical formative years of the new regime between 1952 and 1957.

In the period covered by this essay a radical transformation took place in the rural institutional structure. The pre-liberation countryside was based on the small family farm with only a small percentage of the rural population working as full-time wage labour. The bulk of farm activities were carried out by individual farm households. Tenancy relations were pervasive: over the whole of China just under one-third of farm families in the 1930's were tenants who rented in all of their land, and in South China the proportion was higher, reaching more than fifty per cent in Guangdong province.⁽²⁵⁾ The proportion of total farmland rented was somewhat higher,⁽²⁶⁾ to that in Guangdong, which forms the focus of this study, well over one-half of farmland was rented. Rents generally amounted to about one-half of the main crop.⁽²⁷⁾ The major stages in the transformation of this structure were the following.

The first was land reform. In the Old Liberated Areas of north and north east China this took place before 1949, but in a late-liberated province such as Guangdong, it did not begin until after the national seizure of power by the CCP. The major part of land reform took place between 1951 and 1953, during which a large part of the land formerly rented was confiscated from landlords, public institutions and rich peasants, and redistributed to poorer members of the rural community. Instead of allowing the countryside to settle down into a pattern of individual farming, in

each area immediately after land reform was completed the CCP began to organise relatively simple forms of agricultural co-operation. These were called mutual aid teams (MATs). In these teams the means of production remained in private ownership, but some or all agricultural work was carried out collectively by groups of households. As early as 1952, over thirteen per cent of peasant households in Guangdong were in MATs and by 1955 over two-fifths had joined them, of which about one-third were in permanent teams organised on all-year round basis. (28)

The next step in the process of rural institutional transformation was the organisation of fully co-operative farming in which the means of production were transferred to collective ownership and income was distributed collectively instead of being at the direct disposal of the individual household. This step was divided into two parts. The first part was the organisation of lower-stage agricultural producers co-operatives (APC's); in these the principal means of production were collectively owned but income for personal use was distributed in part according to work accomplished and in part according to the value of the land contributed to the collective by each household (a 'land dividend'). The higher-stage APC was distinguished from the lower-stage by the fact that income was distributed entirely in accordance with the work accomplished for the collective by each household's labour power. The organisation of APC's advanced comparatively cautiously: by 1954 less than half of one per cent of peasant households in Guangdong province had joined the lower-stage type; by mid 1955 there were still only seven per cent in the lower stage APC's, and a negligible proportion in the higher-stage APC's. There followed the extraordinary winter of 1955-6 during which a dramatic transformation took place in the institutional structure of the Chinese countryside: this was known as the 'high tide of co-operation' or the 'socialist high tide'. In the autumn of 1955 in the space of only three to four months the proportion of peasant households in lower stage APC's in Guangdong province increased from seven to over eighty per cent; by June 1956 over ninety per cent had joined APC's of both types, the proportion in each being roughly equal. However, by the end of 1956 the vast majority of peasant households in Guangdong, as over the whole of China, had moved into higher-stage APC's leaving a small number in APC's of the lower-stage, and an even smaller number farming independently. (29) The rapidity of the transition from private to collective ownership and income distribution was greater even than in the USSR. (30)

However, in some respects the most radical change in the organisation of farm life was to occur in 1958 with a nationwide move to amalgamate APC's

into much larger units of production and distribution, the rural people's communes. In their early form the communes operated on highly collectivist, egalitarian principles. Income inequalities between component APC's were eliminated and a large part of consumption was distributed 'according to need'. The experiment was short-lived and in the early 1960's the commune structure was greatly modified with the characteristic features of the 1960's and 1970's emerging. A three-level system was established in the collective sector with its basis becoming the small production team at which level most agricultural means of production were owned and most farm income distributed. Instead of taking the commune as the principal accounting unit as in the Great Leap, in the 1960's and 1970's the basic rural accounting unit has been the team. The second tier in the structure was the brigades, each comprising a number of teams. Above the brigade stood the commune. Economic activities that were too large for the team to handle were carried out by the brigade, and those that the brigade could not manage were carried out by the commune. While major disputes have raged since the early 1960's, for example, about the role of the private sector, the level of account, and the basis for distributing collective income within the team, the whole of the last two decades stands in masked contrast to the first ten years of CCP rule, in the fundamental stability of institutional structure that has been exhibited.

5. Definitional Issues.

This thesis examines rural income in China. However, neither the term 'rural' nor 'income' is unambiguous. To a considerable extent the author has simply had to follow the definition of 'rural' adopted in Chinese statistics. There the main characteristic used to distinguish an 'urban' from a 'rural' location (in the 1950's at least) was that the former was a place of concentrated settlement which contained 2,000 or more inhabitants, at least one-half of whom were engaged in pursuits other than agriculture. (31)

The term 'income' is less straightforward than might be imagined and considerable controversy has surrounded its definition. The focus

of interest in this thesis is upon personal income defined in the comprehensive sense of the Minority Report of the Royal Commission on the taxation of Profits and Income:

'No concept of income can be really equitable that stops short of the comprehensive definition which embraces all receipts which increase an individual's command over the use of society's scarce resources - in other words, his "net accretion of economic power between two points in time." (32)

In other words, the analysis attempts to look at all sources of personal income, including disposable income in cash and in kind, as well as the various forms of non-disposable income. Its concern is with personal income in terms of the command over the consumption of goods and services that it provides. At certain points in the analysis, data on aggregate output and income from agriculture of geo-political units of different sizes (e.g. APC, xian, or province) are analyzed so as to examine the factors that influenced rural personal income: where an aggregate concept is used it may be either referring to the gross or the net value of output. (33) At each stage in the subsequent text the particular 'income' concept under consideration is specified carefully, as is the nature of its relationship to the ultimate focus of analysis - rural personal income.

6. The issue examined

(a) Average income level of the rural inhabitants of Guangdong province in the middle of the 1950's.

The objective of Chapter 1 is to present a picture of the absolute level of per capita income in the Guangdong countryside in the mid-1950's, firstly, in financial terms, secondly, in respect to the goods and services that could be consumed with that income, and thirdly, in respect to the quality of food that was consumed. It is hoped that such an exercise will be useful for the following reasons. Firstly, there is considerable interest in development economics in absolute income levels in relation to the ongoing debate on poverty and inequality; (34) to have a firm estimate of average absolute rural per capita income levels in at least one major Chinese province may be useful for purposes of international comparison. However, such an exercise is useful for reasons internal to this essay. It provides a firm benchmark of average standards against which other data can be set ; on regional inequalities, on intra-village inequalities, and on changes in income levels over time.

(b) Growth of the average level of rural income

Growth of rural incomes is dependent upon a number of factors. First, it depends on the growth of farm output and the degree to which it exceeds or falls short of the growth of rural population. Secondly, it depends on the relationship between the farm and the non-farm sector, in particular on whether there is a net transfer into or out of the farm sector of resources that might be used for consumption purposes by farmers.⁽³⁵⁾ Thirdly, the development of rural income depends upon the level of savings and investment within the farm sector: even with a rapid growth of farm output per capita and no net transfer of resources out of agriculture, a high level of saving and investment within the farm sector could prevent growth of rural incomes.

Between 1952 and 1957 the overall rate of investment and economic growth in China was high.⁽³⁶⁾ The Chinese economy in 1952, after recovery from the anti-Japanese and civil war, still was underdeveloped in most respects: the major part of industrial production was produced with handicraft methods that had altered little over hundreds of years; the bulk of the population was living in the rural areas where production was overwhelmingly without the assistance of modern inputs, and agriculture dominated the national economy, producing about one half of Gross National Product.⁽³⁷⁾ Moreover, it is estimated that about seventy per cent of national surplus production over 'subsistence needs' was contributed by agriculture.⁽³⁸⁾ Under broadly similar circumstances of economic structure and industrial growth in the Soviet Union during its First Five Year Plan there was a disastrous decline in rural production and income.⁽³⁹⁾ It is of particular interest to see if China, with a lower average income level, and less well-developed modern sector even than the Soviet Union as it entered its First Five Year Plan,⁽⁴⁰⁾ was capable of sustaining a similar rate of investment and industrial growth without sacrificing the living standards of the peasantry.

(c) Inequality of income between town and countryside

The level of, and changes in, rural income are not important merely intrinsically but especially in relation to the urban sector. The relative income levels in town and countryside may be an important factor affecting migration from one sector to the other. They may also have a major impact on the political stability of the whole society: if the differential in income is too large or too small the preparedness of either sector to support the national government may be affected. This might have a direct political effect in the form of strikes, demonstrations, etc., and/or affect the economic structure through the preparedness of either sector to support measures that might promote national economic development (e.g. taxation, or attempts by the state to control the marketing of certain commodities). The issue of the urban-rural 'gap', and the way in which it is approached clearly is central to an understanding of the political economy of the whole development process.

The main objective of this Chapter is an attempt to assess the exact extent of inequality of living standards between town and countryside in the middle of the First Five Year Plan. A precise quantification of the gap in between the two sectors has not been undertaken in Western writing on the Chinese economy. Statements regarding this important issue often are left unsatisfactorily vague. This section will show that a considerable amount of data was collected by the Chinese statistical apparatus at this time that make possible a precision of analysis that often is not found in the literature on economic development in other developing economies.⁽⁴¹⁾ The analysis attempts firstly to assess the extent of a possible gap in the financial value of personal incomes in town and countryside, and then to analyse data on the level of consumption of goods and services in the two sectors. A brief consideration is given to outlining changes over time in the urban-rural 'gap'. Lastly, an examination is made of government policy on this issue.

(d) Regional inequality

Chapter 4 analyses the factors that combined to affect regional rural income inequality in Guangdong before 1949 and examines the degree to which the policies of the post-revolutionary government altered these. The regional distribution of agricultural factors of production is discussed - the amount and quality of farmland per capita, and the distribution of ancillary means of production such as draft animals and pigs. Regional climatic variations, which even within a single Chinese province, have a great influence on the productivity of agriculture in different areas are also discussed. Of great importance for the nature of agricultural development in different areas is the influence of patterns of urban development: towns exert a double pull on agriculture insofar as the finished product costs less to transport if it is grown close to the market, and as goods produced by industries in the market and required on the farms, such as machines and fertilisers, can be obtained more cheaply.⁽⁴²⁾ If conditions in other respects were equal, areas closer to the large markets and centres of production would tend, under competitive conditions, to be in an advantageous situation both for selling farm products and purchasing industrial products. Inter-connected with the regional inequalities in factor endowment, climate, and location in relation to the market, is the structure of prices for different farm products. Here an analysis is made of the degree to which the structure of prices tended to favour some areas rather than others. Related to these issues also is the level of income that could be earned from producing different kinds of farm output.

This chapter sets the question of regional income inequalities in the post-revolutionary Chinese countryside in the broader setting of an analysis of the appropriate way of dealing with 'differential rent', loosely defined as 'the additional income derived from the best pieces of land as a result of their material fertility and also as a result of their more advantageous location with respect to markets.'⁽⁴³⁾ This issue was extensively investigated by economists from Adam Smith⁽⁴⁴⁾ through to Alfred Marshall,⁽⁴⁵⁾ but since then has ceased to occupy an important place in the economic analysis of capitalist societies, due primarily to the rapid decline in importance of the income share going to landowners. In 'socialist' economies, however, the issue has again become important in economic debate.⁽⁴⁶⁾ This is due in part to the greater importance of agriculture in most 'socialist' economies, in part to the equity implication of the influence of differential rent on income distribution in societies which income is supposedly distributed 'according to labour', and in part is due to the

importance in a planned economy of clarifying the approach adopted to differential rent in order that efficiency in resource allocation might be improved.⁽⁴⁷⁾

(e) Inequality within villages

If one is looking at rural income in relation to the motivational impact upon farmers or in respect to the effect upon political stability of an unsatisfactory treatment of the issue, then it may be argued that of critical importance is local income inequality. It is at this level that the connection between income and individual work motivation is likely to be most direct, and at which the awareness of income inequalities most acute. The post-1949 period has seen enormous institutional upheavals. Did these changes serve to reduce intra-village income inequalities or did they merely alter the method of income distribution? Insofar as inequality was reduced, what was the impact upon work incentives in the village. Insofar as inequality remained, what were the factors responsible for it?

7. Income levels in the Guangdong countryside before 1949

A number of factors combined to produce the living standard experienced by the Guangdong peasantry before 1949. The average level was affected fundamentally by the relationship between population and arable land. The high density of population relative to farmland has already been noted. According to Buck's monumental survey of Chinese agriculture from 1929 to 1933⁽⁴⁸⁾ the mean farm size in the Double-Cropped Rice Area, of which Guangdong province forms the major part, was only 2.47 acres, compared with 4.18 acres for the whole of China; this was lower than the average farm size in Japan in the late 1920s, and, of course, was miniscule by comparison with European agriculture.⁽⁴⁹⁾ In spite of high inputs of labour, yields per sown area were not particularly impressive even in rice in South China: Buck estimated that the most frequent per acre yield of rice in the Double-Cropped Rice Area was only 44 bushels⁽⁵⁰⁾ which placed that area lower than Italy, Japan, and the United States.⁽⁵¹⁾ However, this was to some degree compensated for by the fact that the index of multiple-cropping was high in South China.⁽⁵²⁾ The only way in which China's limited area of farmland has been able to support the huge and steadily increasing population over the age,⁽⁵³⁾ has been through increasing the intensity of land use of the one hand, and on the other through developing a structure of farm production that maximises the output of food per unit of farm land. The latter has been attained firstly, by devoting

a high proportion of crop land to the production of foodgrains: in the Double-Cropped Rice Area, 72.8 per cent of the sown area^{was} devoted to grain proper, and 10.6 per cent to 'tubers and roots' (nearly all of the latter was sweet potato)⁽⁵⁴⁾. Consequently, more than four fifths of crop land was occupied by 'foodgrain' in the broad sense of the term; 1.6 per cent was occupied by vegetables, 3.3 per cent by fruit and 5.2 per cent by oil seeds.⁽⁵⁵⁾ The role of non-food cash crops was relatively small in terms of their claim on farm land. The second, and connected channel of maximising the output of food per acre had been the tendency to reduce greatly relative to western agriculture, the animal component in the farm economy, both in relation to their labour function, where human labour is frequently substituted, and in relation to their productive function, where land is more frequently used to grow food for direct human consumption rather than to produce feed for animals, the products of which are in turn consumed by humans.⁽⁵⁶⁾

The net result of this highly labour-intensive farm economy was a low output per worker compared to Western agriculture. Buck calculates that the output of 'grain equivalent'⁽⁵⁷⁾ per 'man-equivalent'⁽⁵⁸⁾ in the Double Cropped Rice Area (1929-1933) was only 1281 kgs., compared to 20,000 kgs. in the United States. 'This low production in China per man-equivalent is the real reason for the low standard of living as compared with the United States.'⁽⁵⁹⁾ To the low output per worker must be added the impact of a probable net drain of resources out of agriculture via taxation and farm rents. It has been noted already that the rate of tenancy was particularly high in Guangdong. Perkins suggests that about three-quarters of all rented-out land in the 1930s was owned by absentee landlords,⁽⁶⁰⁾ and in a relatively highly-commercialised province such as Guangdong, the proportion could well have been higher. The move in modern times towards an increasing tendency for landlords to live in urban areas has been well-documented.⁽⁶¹⁾ While a proportion of rents may have seeped back to the rural areas in various forms, notably usury, it is likely that the net drain via rent was substantial.⁽⁶²⁾

Taxation was an addition to the net drain of resources out of the countryside. Throughout the Ch'ing dynasty the land tax had formed the major single source of revenue for the Central Government.⁽⁶³⁾ However, this amounted probably to only around five or six per cent of total grain output, and an even lower proportion of total farm output.⁽⁶⁴⁾ The land tax continued after the 1911 Revolution; there is little doubt that over most of China the extensive warfare and the collapse of central control led to a big increase in exactions by local powerholders. By the early 1930s it was estimated that 25 types of surtax were being levied by the local authorities in different parts of Guangdong.⁽⁶⁵⁾ In addition as in Imperial times a variety of forms of 'squeeze' was exercised on tax payers by local tax collectors, so that actual collections considerably exceeded the officially stipulated amount.⁽⁶⁶⁾ In Guangdong, as in other parts of China, the notorious practice of collecting taxes in advance (yu-cheng qian-liang) began in the 1920s.⁽⁶⁷⁾ Moreover, a whole gamut of miscellaneous contributions was levied locally on the peasantry: in the early 1930s in Guangdong it is estimated that there were 133 'extortionate contributions and miscellaneous taxes' (ke-zhuan za-shui).⁽⁶⁸⁾ In areas of military conflict direct exactions (military requisitions', ping-chai) frequently were levied on the local population.⁽⁶⁹⁾ As a result a single piece of land might well have to pay a variety of levies. One of the most heavily taxed areas in the province was the sandy soil (sha-tian) area of Zhong Shan xian. In the early 1930s in that district, the main land tax came to 0.24 yuan per mou, but additional levies brought the total to 3.23 yuan per mou, exclusive of protection money that was said to have been paid to local bandits.⁽⁷⁰⁾ It is not clear what proportion of the various exactions mentioned in this paragraph stayed within the village and what proportion was taken by the urban areas, or indeed what the 'average' level of taxation in the first half of the twentieth century was. Perhaps the most that can be said is that the impact on peasant living standards though varying spatially and temporally, would not have been negligible.

What, then, was the average income of farmers in pre-liberation Guangdong? The most convenient and accurate summary data is the section of Buck's survey dealing with the Double Cropping Rice area. It should, however, be noted that there was a pronounced bias in collecting data on living standards towards larger farms, so that the data presented represents something rather above the average.⁽⁷¹⁾ The average (mean) daily intake of calories per adult male unit in the Double-Cropping Rice Area was estimated to be 3,283, which was above the standard minimum of 2,800 calories considered to be appropriate in Chinese conditions.⁽⁷²⁾ However, almost nine-tenths of this calory intake came from grain and potatoes;⁽⁷³⁾ a mere 0.9 per cent came from vegetables other than potatoes and 3.1 per cent from animal products.⁽⁷⁴⁾ This dietary structure is of course a direct consequence of the structure of farm production outlined above and also of the fact/^{that}an important part of the small amount of non-grain production was sold for consumption in urban areas.⁽⁷⁵⁾ Consequently, even the 'average' farm diet in Guangdong had fundamental deficiencies .

First, it contained a very small amount of 'protective foods', such as milk, eggs, green leafy vegetables and fruits.⁽⁷⁶⁾ Second, the dominance of grain resulted in a deficiency in calcium intake. This amounted to only 0.329 grams per adult-male unit per day in 1929-33 in the Double-Cropping Rice Area, compared to a standard minimum (as set by the Buck survey) of 0.800 grams:⁽⁷⁷⁾ 'the intake for calcium are so far below a reasonable requirement figure that the existence of a deficiency is unquestionable, particularly for the growing child'.⁽⁷⁸⁾

Other aspects of 'average' income levels in the Guangdong countryside are less easy to quantify, but there are some data from Buck's survey that reflect the low average standard of living. In the Double-Cropping Rice Area the average (mean) numbers of shoes per family was only 1.5 (work plus dress);⁽⁷⁹⁾ only 23 per cent of farm buildings were constructed of brick walls, the rest being tamped earth, earth-bricks, corn storks, woven bamboo, etc., and 78 per cent of the floors were made of earth.⁽⁸⁰⁾ About two-fifths of the houses had too few and too small windows, and were not ventilated.⁽⁸¹⁾

the effect on the health of China's farm population of the shortcomings in material consumption were compounded by the grave inadequacies of the medical services. At liberation, China had between 10,000 and 20,000 trained medical doctors, or one for every 25-50,000 people, a ratio which is 'exceedingly low by any other standard than abysmal poverty'.⁽⁸²⁾ The level of hospital facilities was exceedingly poor: 0.006 hospital beds per 1000 population in Anhui province, 0.05 per 1000 in Fujian, and 0.06 in Shandong.⁽⁸³⁾ Moreover, the available medical resources were heavily concentrated in the urban areas: for example Shanghai in 1949 had 2.26 hospital beds per 1000 population and Guangzhou had 2.11.⁽⁸⁴⁾ 'given the difficulties of travel and communication, and given the absence of referral, peasants generally were born and died without ever having received modern medical attention'.⁽⁸⁵⁾

As a consequence of the poor quality of housing and clothing, the almost complete absence of modern medicine, and poor environmental hygiene, the mortality rate was very high, especially in the early years of childhood. The overall death rate was probably over thirty per thousand in the rural areas in the early 1930s.⁽⁸⁶⁾ Buck's farm survey of 1929-1933 showed that less than sixty per cent of persons born alive survived their tenth year; one-half of those born died before they were 26 years old.⁽⁸⁷⁾ The higher mortality of childhood and early adult life was largely due to the 'virtually unchecked... ravages of contagious and infectious diseases'.⁽⁸⁸⁾ There was an 'appalling harvest' of 'preventable deaths' from the major diseases - smallpox, dysentery, typhoid, tuberculosis, and cholera.⁽⁸⁹⁾

A further commentary on rural living standards is provided by the evidence on education from the Buck farm survey of 1929-1933. It showed that less than one-half of the males and only two per cent of the females of seven or more years of age had ever attended school. Only thirty per cent of the males, and one per cent of the females, had attended school long enough to learn to read a common letter: 'almost the whole story of education in rural China lies in these figures'.⁽⁹⁰⁾

It cannot be stressed too strongly that the picture portrayed in the preceding paragraphs relate only to the 'average' income of Chinese farmers in South China before liberation. Within village and between localities there was considerable inequality in factor endowment and in per capita income levels.

Chapter 1. Text

Average income level in the Guangdong countryside in the mid-1950's.

The objective of this chapter is to estimate the average level of income of farmers in Guangdong province in the mid-1950's. This will provide a benchmark against which to compare other data. Income is considered in financial terms (the average per capita income available for consumption), in terms of its consumption equivalent (the amount of goods and services obtainable with such an income), and in terms of the intake of energy from the level of food consumption.

(a) Personal disposable income in financial terms.

Following the collectivisation of agriculture in 1955-56, the average level of rural income in Guangdong was said to be at the level of the pre-liberation middle peasant, or roughly 70 yuan per capita: ⁽¹⁾

Table 1.1 Value of agricultural production in Guangdong province, 1956

Gross value of agricultural output	=	3300 m. yuan.
Costs of production, common accumulation fund, common welfare fund, agricultural tax	=	1320 m. yuan.
Net value of agricultural output	=	1980 m. yuan.
Agricultural population	=	30 m.
Average net income per capita of agricultural population	=	66 yuan.

Source: Tao Zhu, 'Work Report ...' (see also, Lin Cheng-bo, 'How do we look at the question of the peasants' living standard at the present time?', NFRB, 9th October 1957).

A detailed survey of 609 APC's ⁽²⁾ found that average income per capita in 1956 came to 72 yuan, of which 62.2 yuan was distributed by the collective (in cash and in kind), and 10 yuan came from private side-line production. ⁽³⁾

The figure of 66 yuan average per capita income in the Guangdong countryside in 1956 placed that province at around the average level for the South of China as a whole but some way below the income level of peasants in Northern China:

Table 1.2 Average income levels of peasants in APC's in different parts of China, 1956.

Unit: yuan.

	North West and Inner Mongolia	North East	Central Plain	South
Average p.c. net income	71	84	61	66
of which:				
(i) remuneration from APC	61	70	50	48
(ii) domestic sideline production	11	15	11	18

Source: Statistical Investigation Publishing House, 'Investigatory materials on distribution of income in 228 agricultural co-operatives in 1957', XHBYK, No. 18, 1958.

Note: The data are derived from figures on per household income, using figures on average household size from the same survey. The survey was of 4,231 households, who formed part of a larger survey of 76,749 households. The survey covered 31 APC's in the North East (including Liaoning, Jihn, and Heilongjiang provinces), 34 APC's in the North West and Inner Mongolian area (including Gansu and Qinghai provinces, and Tibet and Inner Mongolian regions), 56 APC's in the Central Plain (including Hebei, Shanxi, Shenxi, Shandong, and Henan provinces, as well as the parts of Jiangsu and Anhui provinces that are North of the Huai river), and 107 APC's in Zhejiang, Fujian, Jiangxi, Habel, Hunan, Guangdong, Guangxi, Guizhou, and Yuanan provinces as well as the parts of Jiangsu and Anhui provinces that are south of the Huai river). The larger survey found that in 1957 the average per capita income distributed to individual peasant households by the APC's was 67 yuan in the North West and Inner Mongolia, 55 yuan in the North East, 46 yuan in the Central Plain, and 46 yuan also in the South (according to the 4,231 household survey, per household remuneration from the APC in 1957 was 98.1 per cent of the 1956 level in the North West and Inner Mongolia, 86.1 per cent in the North East, 103.1 per cent in the Central Plain, and 99.1 per cent in the South).

Not only was the income level in the Centre and South below that in the North of China, but also the amount of labour needed to produce that income was considerably greater. In 1957 the average number of labour days⁽⁴⁾ worked per male labourer, according to the 228 APC survey was 170 in the North West and Inner Mongolia, 185 in the North East, 195 in the Central Plain, and 226 in South China.⁽⁵⁾ Also, the number of labour days worked per female worker was considerably higher in the South than in other areas.⁽⁶⁾ Unsurprisingly, the value of the labour day⁽⁷⁾ was higher in the North than in the Centre and South: in 1957 in the North West and Inner Mongolia its value was 1.07 yuan, in the North East it was 1.18 yuan, in the Central Plain it was 0.66 yuan, and in the South it was only 0.55 yuan.⁽⁸⁾ The most important factor explaining the difference in income, and the labour impact required to earn it, is the difference in the amount of arable land per household in the different areas. In 1957 the average in the North West and Inner Mongolia was 30 mou, in the North East, 34 mou, in the Central Plain, 13 mou, and in the South, only 9 mou.⁽⁹⁾ The higher productivity of arable land in the Centre and South⁽¹⁰⁾ was unable to compensate for the great shortfall in availability of farmland.

(b) Level of consumption of goods and services.

What did a net income available for consumption of 66 yuan in 1956 mean in 'real' terms in Guangdong province in the rural areas? In other words, what level of consumption of goods and services did this imply? This income was in part in cash and in part in kind; it came partially from the APC and partially from private sideline production. The proportion of peasant consumption derived from market purchases in the mid-1950's probably averaged only about thirty to forty per cent.⁽¹¹⁾ The price that confronted peasants in their purchases from the market (made with cash from the APC or from sales from private sideline production) were naturally local market prices, either through state-controlled or free market outlets. In what way was non-market consumption valued? As far as consumption from the APC was concern, during the course of the year, various material distributions, principally grain, were made to APC members. These had to be valued and the value offset against the peasants entitlement in income distribution from the APC, the balance at the end of the year constituting a cash disbursement. Most surveys the author has encountered for the 1950's calculate the value of the self-produced, self-consumed items at local prices (either the government purchase

price or local retail prices where no state purchase price exists). The valuation of self-consumption by peasants from domestic sideline production presumably occurred at local retail prices.

To establish the total financial value of peasant income available for consumption of goods and services it is necessary to adjust for any goods or services provided on a free or subsidised basis from collective funds. In fact, at this time the magnitude of such potential 'social income' was at best small, and for the majority of the peasantry was almost negligible.

It might perhaps be thought that one of the first tasks of a rural collective under 'socialism' would be to set up a system of 'free' supply from collective funds of basic services, such as health care, education, and housing. To the degree that such a system did exist in rural China in the mid-1950's, the 'real' income of the Guangdong peasantry would be understated by the 66 yuan figure for personal per capita income in 1956. So, what was the situation in these respects?

As far as rural housing is concerned, the normal practice under collective agriculture in China has been for individual peasant families to own their own dwellings. Indeed, the 1962 revised draft of the 'Sixty articles' asserted that peasants not only had the right to own their own house, but also to buy, sell, or rent it.⁽¹²⁾ Also it was implied by this, taken in conjunction with the 1950 Marriage Law, that children had the right to inherit their parents' houses.⁽¹³⁾ The expenses involved in building a new house have to come out of the pocket of the individual peasant household. Wood and bricks, or other building materials have to be purchased, and usually labour power obtained from outside the family. Sometimes the labour will be provided by neighbours without a wage payment, but often they are 'rewarded' with good meals while assisting in the house-building.⁽¹⁴⁾ Alternatively, labour may be provided by the production team, but in this case the labour has to be paid for, the amount of the payment being deducted from the end-of-year payment from the collective to the household.⁽¹⁵⁾ Estimates of the cost of building a new house are few and far between. In Northern Henan province in the early 1970's, the cost of a new three-room house, with new bricks, rafters, beams, windows, and doors, was estimated at between 400 and 800 yuan.⁽¹⁶⁾ In Northern Shenxi province in the late 1960's, the average cost of building a new cave dwelling (size unspecified) was said to be 220 yuan.⁽¹⁷⁾ In Southern Guangdong province in the 1970's, it was reported to take ten years

or longer to save enough money to build a complete new house.⁽¹⁸⁾ The author together with five colleagues in June 1979 carried out three detailed village surveys in North, Central, and Southern China respectively, and found that the level of rural saving to finance new housebuilding was high. Indeed, the major purpose of rural household savings appeared to be the financing of new housebuilding.

What was the situation in the mid-1950's in respect to health care in the rural areas? As is well-known, health care improvement figured prominently in the programme of the CCP after 1949.⁽¹⁹⁾ Through the 'Great Patriotic Health Movement' the CCP mobilised rural dwellers to take part in a mass movement to attempt to eliminate the 'four pests' (flies, mosquitos, rats, and sparrows).⁽²⁰⁾ Substantial progress was made in immunisation against contagious diseases through the use of roving health teams based in the local xian town.⁽²¹⁾ In the mid-1950's health clinics were widely established in the newly-formed APC's. However, these clinics still required direct patient payments; moreover, they tended to be insolvent, and they were the focus for traditional practitioners rather than centres for the diffusion of western medical knowledge.⁽²²⁾ It does not appear to have been until 1969 that co-operative medicine was established widely in rural China.⁽²³⁾ Even by 1974 it was reported that the system had been set up in only seventy per cent of production brigades.⁽²⁴⁾ Prior to 1969, medical expenses were said to be a common cause of peasants going into debt.⁽²⁵⁾

Information on the costs of rural medical care, insofar as it was available, prior to the establishment of the co-operative medical system is sparse. Before the medicine price cuts of 1969 the price of basic prescriptions were as follows: 200,000 units of penicillin cost 0.23 yuan; one gram of streptomycin cost 0.44 yuan; 0.25 gram of tetracycline cost 0.12 yuan; and 0.25 gram of tertymycin cost 0.08 yuan.⁽²⁶⁾ A visit to a traditional Chinese doctor, receiving some subsidy from the production brigade, in Northern Shenxi province in the early 1960's, cost about one yuan.⁽²⁷⁾ In the early 1970's in Beijing, the charge to uninsured people for a chest x-ray was 0.30 yuan, physiotherapy was about 0.10 to 0.30 yuan per visit, hospital accomodation cost between several jiao⁽²⁸⁾ to one yuan per day, birth delivery at a city hospital cost eight yuan, an appendectomy or hernia repair cost 8 yuan,

ordinary major operations were 'not more than ten to fifteen yuan', and expenses (excluding food) for a child hospitalised with pneumonia for eight days was about sixteen yuan.⁽²⁹⁾ Presumably the costs at rural health centres prior to co-operative medicine would not have been far out of line with these. The price of medicines in the 1950's was considerably higher than in the late 1960's.⁽³⁰⁾ It is unlikely that the costs of medical services was lower in the 1950's than in the early 1970's; if anything they probably were more expensive.⁽³¹⁾ It is worth repeating that most peasants in the mid-1950's would, however, principally have had access to traditional Chinese medicine. Even if peasants could have afforded it, the physical availability of Western medicine in the village was very limited at that time.

The situation in the countryside in the mid-1950's in respect to education closely parallels that in health. On the one hand mass campaigns with no charge to individual participants were organised by local party cadres to accomplish the most basic of educational aims - literacy. The local peasant association, led by the CCP, were the spearhead of a nationwide campaign to teach illiterate adults. The movement accelerated during collectivisation in the mid-1950's. Winter schools and evening classes were widely organised, and 'literacy check points' were sometimes set up in markets and village streets where passers-by were stopped and given a reading test.⁽³²⁾ As early as winter of 1950 in a village in Central Guangdong province it was said that about twenty per cent of the illiterate adult peasants were attending 'abolish illiteracy' classes.⁽³³⁾ On Hainan Island in South West Guangdong in 1956, 52 per cent of peasant illiterates were said to be attending such classes;⁽³⁴⁾ in the same year in Lu Feng xian, in Eastern Guangdong, 44 per cent of youths were said to be attending,⁽³⁵⁾ and in 1956 in Gao Yao xian, in the Centre of the province, 35 per cent of illiterates were said to be attending.⁽³⁶⁾

The formal educational system in the countryside greatly expanded also in this period, with much the greater increases in absolute numbers occurring in primary education. In the mid-1950's in Guangdong there were about ten times as many primary school students as there were middle school students. The expansion in the numbers in the formal school system in the countryside will be discussed in more detail in the following chapter. Of particular interest at the mo-

ment is the question of payment for formal education in the countryside. In education as in health, payment by individual peasant families was required for participation in the formal school system. Myrdal recorded in detail the various costs that had to be paid for each student in a school in North Shenxi province in 1962, which gives some rough idea of the costs involved. The parents of each child had to pay a one yuan 'instruction fee' per term, 0.50 yuan per term for gymnastic apperatic, 1.50 yuan per term for boiled drinking water, 1.50 yuan for each autumn term for winter fuel, and 0.30-0.70 yuan per term for school materials (the charge increasing from class to class).⁽³⁸⁾ A substantial subsidy came from the state since it paid the teachers' salaries,⁽³⁹⁾ but still the cost for each child was considerable - 11.4 yuan to 12.6 yuan per annum.⁽⁴⁰⁾

I shall now move on to examine the array of prices confronting the peasant farmer in the market place in Guangdong in the mid-1950's. It has not proved possible to construct a full list of rural retail prices for Guangdong, so Table 1.3 supplements the Guangdong data with information from other provinces in South China (Guangxi and Hunan are adjacent to Guangdong). Prices varied from place to place, and from time to time, so the table is only a rough guide, but it is of particular use when viewed together with Table 1.4, which attempts to give a rough approximation of the reported average per capita consumption level of the peasant population of Guangdong in the mid-1950's. The consumption basket listed in Table 1.4 valued at the prices in Table 1.3 totalled a minimum of 65 yuan and a maximum of 85 yuan. Given that the average per capita income of the Guangdong peasantry in 1956 was only 66 yuan, it would appear appropriate to regard the listed items as collectively being rather high. The data in the lower part of the table, taken from other South and Central China provinces, may be higher than the average in Guangdong, when they are all included together.

The clear picture to emerge from these data is that the satisfaction of basic food needs absorbed a very large part of the Guangdong peasant's total income. The food items listed there totalled between 51 and 71 yuan (depending on the prices used), amounting in the former case to 77 per cent of average peasant income in the province in 1956,

Table 1.3 Rural retail prices in South China, 1955-1957

Item		Unit	Price (yuan)
Rice (da mi)	(a)	Kg.	0.20
	(b)	Kg.	0.152
	(c)	Kg.	0.17
Sweet potatoes	(a)	Kg.	0.04
	(b)	Kg.	0.026
	(c)	Kg.	0.066
Taro	(a)	Kg.	0.04
Noodles	(c)	Kg.	0.60
Vegetables	(d)	Kg.	0.061
Edible oil	(b)	Kg.	1.12
Vegetable oil	(d)	Kg.	1.13
Animal oil	(d)	Kg.	1.40
Lard	(c)	Kg.	2.18
	(e)	Kg.	2.20
Pork	(a)	Kg.	1.36
	(b)	Kg.	0.92
	(c)	Kg.	1.20
	(d)	Kg.	1.20
	(e)	Kg.	1.14
Fish	(d)	Kg.	0.70
	(e)	Kg.	0.50
Other meats	(d)	Kg.	0.68
Salt	(b)	Kg.	0.30
	(e)	Kg.	0.32
	(d)	Kg.	0.36
Sugar (white)	(e)	Kg.	1.40
Sugar (unspecified)	(d)	Kg.	0.70
Eggs	(d)	each	0.04
Tea	(d)	50 grams	0.025
Yellow beans	(e)	Kg.	0.20
Cloth	(b)	metre	1.20
Fuel	(d)	Kgs.	0.013
Coal*	(c)	Kg.	0.014
Kerosene†	(c)	Kg.	1.12
Alcoholic drink	(d)	Kg.	1.08
Cigarettes	(d)	box (he)	0.18
Socks	(b)	pair	0.50
Shoes (galoshes)	(b)	pair	4.50

Notes: * 100 Kgs. is assumed to be enough for the winter for a peasant family of five.

† 4 Kgs. is assumed to be enough to provide light for the whole year for a peasant family of five.

Sources: (a) 'Is the difference ...' Data are for Guangdong province, Lian Jiang xian, Wu Zi xiang, in 1956.

(b) Tan Zhen-lin, 'Preliminary survey of our country's rural income circumstances and living standards', XHBYK, No. 11, 1957, also in RMRB, 5th May 1957, and NCGZTX, No. 4, 1957. Data are for Hunan province, You xian, Da Xing APC, in 1955.

Table 1.3 - Sources (continued)

- (c) 'An answer to the questions which some of the peasants raised in the "airing of views"', XHNB, 8th December 1957. Data are for Hunan province, Heng Nan xian, Guang Ying xiang, from July 1956 to June 1957.
 - (d) Li Yi-wei and Na Yi-shi, 'The difference between the livelihood of workers and peasants really is not great', NFRB, 10th November 1957. Data are for Guangxi province rural areas in 1956.
 - (e) 'The peasants living standards have risen magnificently', XHNB, 8th December 1957. Data are from Hunan province, Heng Nan xian, He Ping APC, for 1956.
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Table 1.4 Average per capita consumption level of Guangdong's farm population in the mid-1950's.

<u>Item</u>		<u>Unit</u>	<u>Amount</u>	<u>Notes</u>
Grain	(a)	Kg.	230	Unhusked, potatoes in grain-equivalent.
		Kg.	350	Unhusked, potatoes at full weight.
		Kg.	168	Husked, potatoes in grain-equivalent.
			(of which: rice = 127)	
		Kg.	288	Husked, potatoes at full weight.
			(of which: potatoes = 160)	
Vegetables	(b)	Kg.	90	
Edible oil	(c)	Kg.	1.7	
Pork	(d)	Kg.	6.0	
Sugar	(e)	Kg.	3.1	
Fish	(f)	Kg.	11.0	
Poultry	(g)	Kg.	6.1	
Alcoholic drink	(h)	Kg.	1.7	
Cotton cloth	(i)	mtr.	5.4	
Salt	(j)	Kg.	6.7	From other provinces in Central-South China.
Eggs	(k)	no.	15.3	
	(l)	no.	28.6	
Kerosene	(l)	Kg.	0.9	
Cigarettes	(l)	box (he)	17.7	
Socks	(k)	pairs	0.8	
Rubber shoes	(m)	pairs	0.3	

Notes/Sources: (a) The average amount of grain retained by Guangdong's peasant population between 1954/55 and 1956/57 was 247 Kgs. per capita, per annum (rice unhusked, potatoes in grain-equivalent) (Source: Yang Meng 'Is the rural population's grain consumption less than that in the cities?', NFRB, 13th October 1957). The conversion rate of potatoes to grain-equivalent at this time was 4:1 (Source: Nai-Ruenn Chen, Chinese Economic Statistics, Edinburgh: Edinburgh University Press, 1966, p. 61). It was reported that roughly one-fifth of average peasant grain consumption (including potatoes in grain-equivalent) in the mid-1950's was coarse grain and four-fifths rice (Source: Lin Cheng-bo, 'How should we look at the question ...'). Virtually all of the coarse grains in Guangdong were potatoes of one kind or another - out of a total grain production of 10,930 m. Kgs. in 1955, rice came to 9,000 m. Kgs., and potatoes to 1650 m. Kgs. in grain-equivalent, totalling over 97 per cent between them (Source: Ji Jin-Zhang, 'Report on the final accounts for 1955, and estimates for 1956, for Guangdong province', NFRB, 5th August 1956). Seed and fodder requirements in the mid-1950's in Guangdong were

Table 1.4 Notes/Sources (continued)

estimated at roughly 18 Kgs. (unhusked, potatoes in grain-equivalent) per peasant, per annum (Source: Yang Meng 'Is the rural population's grain consumption ...'). I have assumed that roughly 9 Kgs. came from rice and 9 Kgs. from coarse grain (seed came from both, but fodder would tend to come more from coarse grain). The extraction rate for potatoes is 100 per cent and I have used an extraction rate of 67 per cent for rice (Source: Food Balance Sheets 1964-66 Average, Rome: FAO, 1971, p. 134).

- (b) Average for 1956 and 1957 from data for middle peasants (Source: K.R. Walker, private communication).
- (c) 1956 (Source: Appendix C, Table 10).
- (d) 1956 (Source: Appendix B, Table 37).
- (e) Average for 1954, 1955 and 1956 (Source: Appendix B, Table 38).
- (f) Average for 1953 and 1957 (Source: K.R. Walker, private communication).
- (g) 1956, one observation only, for a middle peasant (Source: K.R. Walker, private communication).
- (h) Average for 1953 and 1957 (Source: K.R. Walker, private communication).
- (i) Average for 1953, 1955, and 1956 (Source: Appendix B, Table 36).
- (j) Hunan province, 1956 (Source: Hunan Agriculture (Hunan nong-ye), Hunan Agricultural Study Institute, 1959).
- (k) Zhejiang province, 1955 (Source: Appendix C, Table 20).
- (l) Hubei province, 1956 (Source: Table 3.15).
- (m) Jiangxi province, whole population, (Source: Appendix B, Table 40).

and, of course, in the latter case exceeding it. Food grain alone (including potatoes) amounted to between 35 and 55 per cent of peasant income, depending on the calculation used. More detailed studies from other parts of China in the mid-1950's confirm this picture. For example, in relatively high-income Jiangsu province in 1956, 72 per cent of the value of peasant consumption was devoted to foodstuffs, and fully 44 per cent went on grain alone. (see Table 1.5). The amount of surplus left over for expenditure on health, education, and housing, by the average peasant after satisfying basic consumption requirements clearly was very small.

Table 1.5 Average per capita peasant consumption per month, Jiangsu province, 1956.

	Amount (yuan)	Per cent
Total	7.55	100
(1) Commodity consumption of which:-	7.26	96.12
(i) Foodstuffs of which:-	5.45	72.16
(a) Grain	3.29	43.56
(b) Subsidiary foods	1.90	25.16
(ii) Clothing	0.61	8.08
(iii) Heating materials	0.69	9.14
(iv) 'Cultural' commodities	0.034	0.45
(v) Health and medicine	0.058	0.77
(vi) Other commodities	0.41	5.43
(2) Non-commodity consumption of which:-	0.29	3.84
Rent, water, electricity	0.064	0.85

Source: Jiangsu Labour Department, Wages Investigation Group, 'Preliminary investigation and research concerning the level of livelihood of workers and peasants in Jiangsu province', LD, No. 21, 1957.

(c) Energy consumption

The average per capita daily intake of calories among the farming population of Guangdong province in the mid-1950's was, for known items, around 2030 (see Table 1.6). In addition to the known items there was almost certainly some additional energy intake from beans, beef, fruit, and spices, bringing the likely total intake up to around 2050 to 2075.⁽⁴¹⁾ The Food and Agriculture Organisation and the World Health Organisation

Table 1.6 Energy consumption of Guangdong peasantry in mid-1950's:
average intake of calories per capita, per day.

<u>Item</u>	<u>Calories</u>	<u>Per cent</u>
Rice, milled	1214	59.7
Potatoes, full weight ⁽¹⁾	503	24.7
Vegetables ⁽²⁾	79	3.9
Edible oil	42	2.1
Pork ⁽³⁾	104	5.1
Sugar	34	1.7
Fish ⁽⁴⁾	29	1.4
Poultry	23	1.1
Eggs ⁽⁵⁾	6	0.3
Total	2034	100.0

Source: Table 1.2 and B.S. Platt, Tables of Representative Values of Foods Commonly used in Tropical Countries, London: HMSO, 1945.

- Notes:
- (1) Sweet potato is much the most important potato crop grown and eaten in Guangdong: roughly 80 per cent are sweet potato and 20 per cent other potatoes (Source: derived from Buck, Land Utilisation in China, Statistics, pp. 115-117). I have assumed that 'other' potatoes are equally divided between irish, taro, and yam.
 - (2) The calorie value of 'vegetables' is based on the average value (mean) of fourteen kinds of vegetables commonly consumed in South China.
 - (3) Average for fresh and salted pork.
 - (4) Calorie value used is for fresh fish.
 - (5) Roughly 4-7 calories per day.

have estimated that the average calorie requirement of a 'typical' developing country is 2000 per day.⁽⁴²⁾ It has been suggested that this might be regarded as on the low side for the Chinese rural population in the mid-1950's, which was engaged in a lot of heavy physical activity compared to other parts of Asia, and indeed to its own past.⁽⁴³⁾ It should be noted, however, that many third world nutritional experts feel that a more appropriate minimum daily calorie intake necessary for normal daily activity is around 1750 to 1800 (average for whole population). Clearly, the average energy intake in the Guangdong countryside in the mid-1950's was at about the minimum level commensurate with normal bodily activity. Taken together, Tables 1.3, 1.4 and 1.6 provide the interesting conclusion that to obtain this minimum calorie intake required an annual value of consumption of between 48 and 69 yuan per person, depending on the prices used. In other words, an absolute minimum of 73 per cent of the average Guangdong peasant's income had to be spent simply to satisfy the bare minimum food requirements. To put it another way, income in cash and in kind of at least 48 yuan (in the Guangdong countryside was needed) for minimum energy intake.

Conclusion

It will be seen later in this thesis that by the mid-1950's per capita income levels in the Guangdong countryside had increased in real terms beyond the exceptionally low level of the period around liberation (1949). However, they still were very low. At least 70 per cent of the value of peasant consumption was devoted to food, and the resulting calory intake was precariously near the minimum level needed for reasonable bodily activity. Moreover it is unlikely that levels of housing, education, and health care had by this stage advanced markedly beyond the low average levels outlined in the Introduction.

Chapter 2.

Changes in the average level of rural income

China in 1949 was a poor, heavily-populated, peasant-dominated economy, in which population was growing rapidly. Moreover, the decade after the revolution saw huge changes in the rural system of production. Was it possible under such circumstances to accelerate rapidly the rate of industrial growth, and simultaneously bring about an increase in average real incomes in the countryside beyond a level close to that of the early 1930's (i.e. prior to the Sino-Japanese war)?⁽¹⁾ That is the central issue of this chapter.

The degree to which the farm sector dominated the pre-1949 Chinese economy can be examined in various ways. In the 1930's roughly eighty per cent of the working population was engaged in agriculture;⁽²⁾ agriculture produced around sixty per cent of net national product and accounted for about sixty to seventy per cent of export earnings.⁽³⁾ Moreover, it has been estimated that the agricultural sector was producing about seventy per cent of total national 'surplus' output over and above actual mass consumption;⁽⁴⁾ consequently, it might be expected that the agricultural sector would have an important role to play in the mobilisation of economic 'surplus' for development purposes. The major driving force behind the attempt to increase the overall economic growth rate in the 1950's was the dramatic acceleration in the level of investment: the investment rate rose from 5.0-7.5 per cent in the 1931-36 period to 18.2-24.0 per cent in the 1952 to 1957 period.⁽⁵⁾ Population growth was at around 2.4 per cent per annum nationally in the years 1953 to 1957.⁽⁶⁾ The changes in the rural system of production have been outlined already (see Introduction) and will be discussed in more detail later in this essay (see Chapter 5).

There is no doubt that the peak level of output of pre-1949 (usually a year in the mid-1930's) had been recovered in most sectors at least by 1952, and Guangdong's rural sector was no exception.⁽⁷⁾ However, in the meantime population had expanded significantly so that until late in the 1950's per capita farm output may well have been below the peak pre-1949 level.

until later in the 1950's. It is most likely that GDP per capita in 1952 still was below the pre-1949 peak level,⁽⁸⁾ and given the increased share of investment in GDP it is likely that even in 1952, after the 'recovery' period, average per capita consumption was lower than the pre-1949 peak, and it is possible that even by 1957 it had not quite recovered to that level.⁽⁹⁾ Virtually all Chinese data show that 'average peasant' living standards by 1952 were already higher than their peak level before 1949, and that by the mid-1950's they were perhaps 25 to 30 per cent above that level.⁽¹⁰⁾ Moreover, it is clear that the relative income level of urban workers in the early 1950's had not declined compared to the 1930's (see Chapter 3), so that this phenomenon cannot be explained by a transfer of income from the urban to the rural consumers. However, the increase in 'average peasant' living standard compared to the pre-1949 peak by 1952 may not be inconsistent with the picture presented above, in that the Chinese data on 'average peasant' living standards/income may relate to the mass of labouring peasants and exclude rural 'exploiters' (i.e. landowners, money-lenders, traders, etc.) some of whose members before 1949 enjoyed incomes considerably higher than the rural average. As will be seen in Chapter 5, land reform eliminated the higher incomes of the top stratum in the villages. Part of the 'surplus' of such households over mass-consumption levels was creamed off by the state but part probably went to increase the living standard of the poorest strata in the villages.⁽¹¹⁾ Perkins has suggested that this may indeed have been what happened:

'To use hypothetical but reasonably realistic figures, if the top 5 percent of the population receives 25 to 50 percent of the national income and the bottom half receives only 15 to 20 percent, we can reduce the top 5 percent to the national average and have enough left over to raise both investment and consumption. The consumption of the poorest 50 percent of the population, for example, could be raised by 50 percent and enough would still be left over to raise investment from 5 percent to over 15 percent of GDP.'⁽¹²⁾

So, it is conceivable that while average per capita consumption for the whole rural sector in the early 1950's was slightly below that of the pre-1949 peak level, the average level of working peasants had recovered to, or perhaps even slightly surpassed, the pre-1949 peak.

On what factors did the growth of average rural living standards beyond their level of the early 1950's depend? There are two major inter-related groups of factors in such an explanation. The first surrounds the performance of farm output. This in turn was governed by the influence of natural constraints, the impact of institutional change and other government policies on peasant incentives, as well by the supply of agricultural investment goods from the industrial sector. The second group relates to the level and rate of saving in the farm sector. Such savings could finance investment within agriculture, and to the degree that there was a positive net agricultural investment rate, there might be a stimulating impact on agricultural growth. Alternatively, such savings could be used to finance investment in the non-agricultural sector. In this case the immediate effect on peasant income would be negative, though with the possibility of long-run benefits from increased supplies of industrial products and/or consumer goods. Such an 'extraction' from agriculture could take place through various channels, notably by means of direct taxation and manipulation of the terms of trade between town and countryside.⁽¹³⁾ The growth of average rural incomes then, hinged on the overall decision about the type of development strategy to be pursued: the rate of savings and investment, the degree of importance of the agricultural component in national savings, the allocation of investment between agriculture and industry, the allocation of industrial investment between producer goods and consumer goods, and within the producer goods sector the degree of stress to be given to sectors producing means of production for industrial self-expansion and to those producing for agriculture.

The importance of changes in average rural real income in Chinese post-revolutionary political economy is clear. The CCP came to power committed not just to changing the pattern of ownership or to reducing inequalities in income, but also to improving the average level of livelihood of the mass of the population. Industrialisation was regarded as important both in order to provide the material basis on which to strengthen China's national defence, and to provide for 'a steady rise in the level of the people's standard of living'.⁽¹⁴⁾ The Chinese leadership was aware that the growth of real income in the short period was essential to work incentives and to political support for the leadership from the masses. Consequently, while it was decided

to give priority to heavy industry in the First Five Year Plan, there was an awareness of the need to keep the growth of the wage goods sector in a proper balance.⁽¹⁵⁾ The Chinese were able in this respect to learn from the experience of their predecessors in socialist industrialisation where it was considered that the balance had been too strongly in favour of heavy industry.⁽¹⁶⁾ Mao pithily summarised the Chinese position in the following fashion:

'The emphasis in our country's construction is on heavy industry. The production of the means of production must be given priority, that's settled ... There are now two possible approaches to our development of heavy industry: one is to develop agriculture and light industry less, and the other is to develop them more. In the long run, the first approach will lead to a smaller and slower development of heavy industry, or at least will put it on a less solid foundation, and when the over-all account is added up a few decades hence, it will not prove to have paid. The second approach will lead to a greater and faster development of heavy industry, and, since it ensures the livelihood of the people, it will lay a more solid foundation for the development of heavy industry.'⁽¹⁷⁾

To be concerned about the living standards of the masses in a predominantly rural society such as China,⁽¹⁸⁾ was to be concerned about the living standards of the peasantry. Here again, the Soviet and Eastern European experience was very much in the minds of China's leaders. It seems likely that in the Soviet countryside in the early 1930's after collectivisation average real incomes declined,⁽¹⁹⁾ affecting both peasant work incentives and the political stability of the regime. The lessons to be learned from this were clear:

'The Soviet Union has adopted measures which squeeze the peasants very hard. It takes away too much from the peasants at too low a price through its system of so-called obligatory sales and other measures. This method of capital accumulation has seriously dampened the peasants' enthusiasm for production. You want the hen to lay more eggs and yet you don't feed it, you want the horse to run fast and yet you don't let it graze. What kind of logic is that! ... Our policies towards the peasants differ from those of the Soviet Union and take into account the interests of both the state and the peasants ... Even so mistakes of one kind or another will occur if we are not careful. In view of the grave mistakes made by the Soviet Union on this question, we must take greater care and handle the relationship between the state and the peasants well.'⁽²⁰⁾

This chapter will now turn to analyse the behaviour of the central factors determining changes in the average level of rural real income, that is, the growth of farm output and the conditions of disposal of farm output.

1. Growth of farm production

(i) Inputs

Underlying the growth of farm production in Guangdong province were some important constraints in the growth of farm inputs. The most important of these was the limited availability of farmland. In the mid-1950's, for example, only about 16 per cent of the total land area of the province was cultivated.⁽²¹⁾ Once the pre-1949 cultivated area had been brought back into operation, it proved extremely difficult to expand the area further in spite of a substantial growth of the labour force (see below). The arable area hardly altered between 1955 and 1957 (see Appendix B, Table 1) and throughout the 1960's and 1970's it appears to have remained at a level slightly lower than the 1950's (see Table 2.1). The main channel through which the province had to increase crop output was the intensification of cultivation on the existing arable area. The most obvious indication of this was the extension of the sown area - it expanded by almost 15 per cent between 1952 and 1957, though almost two decades later it was only some seven per cent greater (see Table 2.1). In the long-run the major channel for expanding crop output seems to have been increases in yields per unit of sown area rather than expanding either the sown or the arable area.⁽²²⁾

The amount of farmland available per person in the Guangdong countryside was small even by Chinese standards - about 1.8 mou (0.12 ha.) per rural inhabitant in the 1950's.⁽²³⁾ The large amount of people per unit of arable land has only been supported by the development over the centuries of a complex system of cultivation, involving a high irrigation ratio, heavy application of organic fertilisers, multiple-cropping, and careful plant care. In a large part of Guangdong's agricultural areas, Tawney's comments apply a fortiori:

Table 2.1 Agricultural production in Guangdong province

	Unit	1952	1957	1960	1966	1976	1977	1978
1. Arable area	m.mou	49,633	51,851	47,128	47,438	48,571	48,581	48,481
of which: Grain	m.mou		n.a.	n.a.	36,579	37,760	38,003	37,340
2. Sown area	m.mou	92.44	106.17	92.087	103.90	113,217	110,845	110,522
of which: Grain	m.mou	81.977	91.070	80,686	77,010	85,506	86,519	85,667
Sugarcane	m.mou	0.966	1,6293	1,5695	2,6297	3,7399	3,1996	3,0660
Peanuts	m.mou	2,1552	3,4191	2,6807	5,0292	5,4990	5,2619	5,5443
3. Output								
Grain	m.jin	17086	21780	17508	26521	31628	34873	32476
of which:								
Rice (dao-gu)	m.jin	15095	18261	15556	23841	28547	31019	28383
Sugarcane	m.jin	5,605	9,304	6,976	11,651	16,547	17,705	17,901
Peanuts	m.jin	279.30	363.22	199.02	592.72	714.55	679.33	754.54
Live Pigs (in the pen)	m.head	5,417	8,256	4,899	13,201	19,703	19,031	19,805
Draft oxen (geng niu)	m.head	3,585	3,970	3,326	3,682	3,808	3,756	3,7898
4. Yields: output (jin) per								
mou of sown area:								
Grain		208	239	217	344	370	403	379
Sugarcane		5802	5710	4445	4431	4424	5534	5839
Peanuts		130	106	74	118	130	129	139

Source: Zhen Hua, Vice-Director, Agricultural Commission of Guangdong province, written communication to Queen Elizabeth House, Oxford, China Study Group, June 1979.

Note: The author (P.N.) assumes that the data presented in this table exclude the Qin Zhou S.D. throughout, so that they apply to a uniform geographical area. This explains the deviation of the 1952 and 1957 figures from those in the Appendices.

'The small size of the farm is the fact from which the whole scheme of Chinese agriculture has taken its stamp, the prevalence of minute holdings has necessitated special methods of cultivation in order to make them yield a livelihood; and these methods in turn involving, as they do, much detailed vigilance and heavy physical labour, are of a kind which can be applied only when holdings are minute ... In this framework of the past, the peasant is compelled by the smallness of his holding to practise an agriculture which has been aptly described as a kind of gardening.'⁽²⁴⁾

The paradox of this form of agriculture was that at peak seasons the concentration of farm tasks became such that frequently there was a labour shortage.⁽²⁵⁾ From 1952 to 1957 rural population in Guangdong grew more or less in step with total population,⁽²⁶⁾ but the slight expansion to the arable area meant that there was little change in the amount of arable land per rural dweller. What did happen, however, was that collectivisation brought about an increased labour participation rate and, perhaps more importantly, an increase in the number of days worked by each labour power.⁽²⁷⁾ Part of this extra labour was devoted to non-peak season tasks, such as increasing the collection of natural fertilisers, extending the area under forest, and expanding water conservation facilities.⁽²⁸⁾ It was hoped also to increase labour supply at peak seasons so as to enable an increase in the amount of multiple cropping. However, it has been argued forcefully by different authors that the capacity to do this was more restricted than the planners imagined, so that the degree of expansion of multiple-cropping attempted over-taxed the available supply of labour.⁽²⁹⁾ Moreover, the total labour supply situation was exacerbated by the difficulties experienced in respect to draft animal supplies. The number of draft animals in Guangdong failed to rise in the mid-1950's⁽³⁰⁾ and their quality deteriorated.⁽³¹⁾ This was in part due to the collectivisation process of 1955-56,⁽³²⁾ though fodder shortages played an important role from well before this.⁽³³⁾ It seems likely, therefore, that merely to maintain the existing level of labour inputs human labour had to some degree to be substituted for animal labour in the mid-1950's. The most probable scenario then is that outside the peak seasons the mobilisation of additional labour after collectivisation may well have made a positive contribution to increasing farm output. However it is likely that between 1952 and 1957 peak season labour supply continued to remain a constraint on agricultural growth.

In addition to the role of draft animals as providers of labour, the animal population, and pigs in particular, was of critical importance as a provider of plant nutrients from natural fertiliser: at the end of the First Five Year Plan natural fertilisers still were providing more than ninety per cent of China's plant nutrients.⁽³⁴⁾ It was crudely estimated that in Guangdong in the 1950's each pig provided sufficient fertiliser for two mou of farmland.⁽³⁵⁾ From 1949 up to 1955 pig numbers grew rapidly in Guangdong (at over ten per cent per annum) (see Appendix B, Table 10). However, collectivisation was accompanied by a fall in their total number, from 8.2 m. in 1954, to 7.0 m. in 1955, to 5.9 m. in 1956; only in 1957 was the trend reversed as the numbers rose quickly to 8.6 m. (Appendix B, Table 10). There is little doubt that the way in which APC's were formed was the major reason for the serious decline in pig numbers in the mid-fifties. Few pigs were left in private ownership during the 'high tide' of co-operativisation in 1955-6 and, as with draft animals, peasants frequently were-either paid too little or not paid at all. The situation was remedied in 1957 when large numbers of pigs were returned to private ownership.⁽³⁶⁾ It is within a framework of predominantly private ownership that the huge expansion of pig numbers in Guangdong in the 1960's and 1970's (see Table 2.1) has occurred.

A conscious planning gamble was taken in the First Five Year Plan. It was believed that a satisfactory rate of growth of farm production could be attained primarily through institutional reorganisation.⁽³⁷⁾ It was thought that collective agriculture would be able to eliminate certain irrationalities of private ownership, mobilise large amounts of 'surplus' labour, and act as a vehicle for the introduction of technical improvements within the traditional methods of production.⁽³⁸⁾ The emphasis in industrial strategy was to concentrate investment in the large-scale heavy industry sector, and within that to stress the sectors that contributed to the internal self-expansion of the industrial sector. Out of 393 above-norm (large-scale) projects in the First Five Year Plan, only eight were planned to produce inputs for agriculture (seven were chemical fertiliser plants and one was for tractors).⁽³⁹⁾ Despite a quadrupling of domestic production and the fact that imports exceeded home output, chemical fertiliser supplies still were low at the end of the First Five Year Plan, since the initial

base from which growth began had been negligible. Total applications of chemical fertilisers in China in 1957 amounted to only 3.6 Kgs. of plant nutrient per ha.⁽⁴⁰⁾ Supplies of mechanical drainage equipment still were negligible at this time - in Guangdong in 1954-55 a mere 0.6 per cent of the arable area received mechanical drainage.⁽⁴¹⁾ As late as 1959 the province had only 2,300 standard tractor units (or about 3300 h.p.),⁽⁴²⁾ amounting to less than four per cent of a national total⁽⁴³⁾ that itself was small in relation to China's needs (a mere five per cent of farmland was cultivated by tractors in 1959).⁽⁴⁴⁾ By 1959 also, the province possessed only 2,299 pump sets totalling 65,000 h.p.⁽⁴⁵⁾ It may be concluded safely that the impact of 'modern' inputs on Guangdong's agriculture was small during the period 1952 to 1957. The large-scale supply of modern inputs had to await the change to an 'agriculture first' strategy following the collapse of farm output after the 'great leap forward' of 1958/9 (see Table 2.1 on the decline of farm output in Guangdong at this period).

(ii) Structure of production

A key element in the expansion of China's population on the limited arable area available to it was the evolution of a production structure that maximised the output of calories per unit of farmland. First and foremost this meant a prime concentration on crop production with a relatively small role played by animal products. As Tawney noted:

'The first striking feature of Chinese farming ... is the unimportance, except in the north-west, of animal husbandry ... It is a question, not of climate or soil, but of resources and population. The relation between them has for many centuries been such that land capable of growing food for human consumption cannot be spared for raising beasts. Milk and meat will support fewer human beings than can be fed from the land which, if cattle were reared, would be required to grow fodder.'⁽⁴⁶⁾

Moreover, within crop production there was a strong emphasis on the production of foodgrain: in 1952, for example, 89 per cent of the sown area in Guangdong was devoted to the production of grain (see Table 2.1). J.L. Buck in his surveys of 140 farm families in seven xian in Guangdong province in the period 1929-33 found that at the minimum an average of 86 per cent (Qu Jiang xian) of total calory intake came from grain and potatoes, and at the maximum 95 per cent (Chao An xian) came from grain

and potatoes.⁽⁴⁷⁾ Animal products provided a maximum of 5.8 per cent (Jie Yang xian) and a minimum of 0.8 per cent (Mao Ming xian) of total calory intake.⁽⁴⁸⁾ Animal husbandry, forestry, fishing, and sideline production between them produced only 28 per cent of the gross value of agricultural production in 1952, compared to 72 per cent for agriculture proper (see Table 2.2). In spite of a low price compared to other crops, (see below) grain still produced about 62 per cent of the total value of pland production at the end of the First Five Year Plan.⁽⁴⁹⁾

At the centre of agricultural planning throughout the post-1949 period has been the debate about the degree of emphasis to be given to different branches of production. The perennial desire of China's planners has been to shift the structure of farm production away from its traditional heavy emphasis on grain, so that the balance of Chinese diet can be altered in favour of meat and non-grain crops.⁽⁵⁰⁾ However, the attempt to develop 'diversified management' (duo-zhong jing-guan) has had important constraints. The major one has been the overall restrictions on the growth of farm production discussed already i.e. a limited capacity to extend the arable area, high yields within the framework of traditional technique, and in the 1950's at least, a limited supply of modern means of production. The second element in the picture has been a rapid rate of population growth - it has been suggested already that the annual growth rate in Guangdong was more than two per cent in the 1952 to 1957 period - which seems to have begun to fall significantly only in the 1970's. The third component has been China's international trade position. As in other poor countries agricultural products in raw or manufactured form (notably textiles in the latter case) have dominated her export earnings right through into the 1970's.⁽⁵¹⁾ Moreover, China has shown a reluctance to be dependent to any significant degree on net imports of food grain. This was especially so in the 1950's when China had a consistent but small net export surplus (in physical terms) in her grain trade. This position has been reversed in the 1960's and 1970's but even at their peak net grain imports have amounted to less than three per cent of total supplies.⁽⁵²⁾ The final component in the picture is the commitment of the Chinese leadership to provide a minimum standard of grain consumption for the whole population.⁽⁵³⁾ Taken together, these elements suggest that the degree of flexibility that the Chinese agricultural planners have had to shift away from the heavy emphasis

Table 2.2 Gross value of agricultural production in Guangdong province
(at 1970 constant prices).

Item	Value of output (m. yuan)							Structure of output (%)						
	1952	1957	1960	1966	1976	1977	1978	1952	1957	1960	1966	1976	1977	1978
Total	3543	4833	3971	6472	7566	7747	7839	100	100	100	100	100	100	100
1. Agriculture	2538	3369	2906	4191	4709	4908	4883	71.63	69.71	73.18	64.76	62.23	63.35	62.29
2. Forestry	43	169	218	399	565	601	655	1.21	3.41	5.49	6.17	7.48	7.76	6.36
3. Animal husbandry	415	473	231	903	1062	908	978	11.71	9.79	5.82	13.95	14.04	11.72	12.48
4. Sideline	408	587	423	719	887	970	1021	11.52	12.15	10.65	11.10	11.72	12.52	13.02
5. Fishing	139	239	193	260	343	360	302	3.93	4.94	4.86	4.02	4.53	4.65	3.85

Source: Zhen Hua, Vice-Director, Agricultural Commission of Guangdong province, written communication to Queen Elizabeth House, Oxford, China Study Group, June 1979.

Note: This table was regrettably not accompanied with information about the price structure used in making the calculations. In the absence also of detailed information about the movement over time of the price of component elements, the usefulness of this table is considerably reduced. Furthermore, it is possible that important changes in cost structures have occurred, so that a value-added table would have been a more useful insight into the changes in the components of agricultural production.

on grain has been limited. In Guangdong province in the 1952 to 1957 period, while it was regarded as desirable to increase both grain and non-grain output, in practice priority tended to be given to grain production in government policy statements communicated to lower-level cadres: 'take grain production as the main thing' (yi liang-shi wei zhu) tended to take precedence over the 'diversified management' (duo-zhong jing-guan).

The emphasis as the expansion of grain production at the expense of expansion in other items can be seen by the fact that out of a total increase of 13.73 m.mou in Guangdong's sown area from 1952 to 1957, no less than 9.09 m.mou (66 per cent) was devoted to grain (see Table 2.1). Moreover, the plan for expansion of the sown area of different economic crops tended to be sacrificed in favour of expansion of grain output.⁽⁵⁴⁾ The 'excessive' emphasis on grain during the First Five Year Plan was widely reported from all parts of the province,⁽⁵⁵⁾ with the following comment from the Fo Shan S.D. in Autumn 1956 quite typical:

'Our demands for the development of grain production have been too hasty, our normal production directives have been too subjective with our estimates of favourable conditions too high, and of difficulties too low. Our subjective demands for completing the grain production plan have been very high, but we have done little investigation of how to develop agricultural and sideline production in the correct proportion, of their mutual balance, so as to obtain the objective of all-round development of production. We must affirm that the policy of taking the development of grain production as the main thing at the same time as developing diversified management whether in the past or to-day is correct and must be supported. But, our mistake and shortcoming resides in the fact that formerly our grain purchases were too heavy, our demands for increasing grain output were too high and too hasty, and our method of adopting directives for grain output and for the pather of development were not well thought-out.'⁽⁵⁶⁾

What were the channels through which government policy on the structure of production were conveyed to the direct producers, the farmers? Once the APC's became the predominant mode of rural organisation in 1955-56 the unit of production could be directly integrated into state planning. There is plenty of evidence to suggest that in the first year of collectivisation the APC's were given little scope as to how to allocate their resources, but simply carried out the plan

worked out at a higher level,⁽⁵⁷⁾ though the tight control of 1956 was relaxed the following year.⁽⁵⁸⁾ However, it is interesting to note that in 1979, when rural policies were said to have reverted in many respects to those of 1957, the degree of real control over resource allocation by collective units still was relatively limited.⁽⁵⁹⁾ Not only was control exercised through the APC's, but it is likely that in spite of private ownership of the means of production, the MAT's, which over two fifths of Guangdong's peasant households had joined by 1954 (Appendix E, Table 2), proved a vehicle through which party cadres could channel state directives.

Possibly the most powerful influence on the production structure, tending to push it in the direction of grain, was the state's 'extraction' policy. An agricultural tax levied mainly in grain was put into effect in Guangdong soon after the revolution and it rose sharply at the beginning of the First Five Year Plan (see Table 2.3) taking almost fifteen per cent of total provincial grain output in 1953. Prior to November 1953 the state had purchased grain on the open market, but at that date a system of compulsory sales to the state at fixed prices was introduced (discussed in more detail later in this chapter). They were so effective that state grain purchases in Guangdong increased more than 200 per cent between 1952 and 1954 (see Table 2.3). Total marketings of grain (including private sales) rose from 5.5 billion jin in 1952 to 8.8 billion jin in 1954 (see Table 2.3), while the proportion left in the peasant's hands declined from 71 per cent to 60 per cent in the same years (see Table 2.3). Though it is true, as will be discussed below, that a certain amount of grain purchased by the state was returned to the rural areas, it was frequently to different parts from which it was purchased (i.e. to grain-deficit areas). The effect of such a policy on the structure of production was profound:

'The reason that there have been problems in the development of agricultural production is mainly because we have been one-sided in the preceding period in looking after the interests of the state: we have purchased too much grain and exceeded the actual capability of bearing the burden and have purchased some of the peasants' personal grain ration and fodder. This has damaged the development of animal husbandry and economic crop production.'⁽⁶⁰⁾

Table 2.3 Grain marketings in Guangdong province

Year	Grain output m. jin	<u>Grain tax</u>		<u>State purchases</u>		<u>Sales to private grain market</u>		<u>Amount left in peasants' hands</u>	
		m. jin	% total output	m. jin	% total output	m. jin	% total output	m. jin	% total output
1952	18864	2018	10.7	1792	9.5	1698	9.0	13356	70.8
1953	20480	3011	14.7	2642	12.9	1454	7.1	13373	65.3
1954	21776	3114	14.3	5662	26.0	-	-	13000	59.7
1955	21824	2728	12.5	4037	18.5	-	-	15059	69.0
1956	24000	2496	10.4	3744	15.6	-	-	17760	74.0

Source: Lin Cheng-bo, 'How should we look at the question of the peasants' living standard at the present time?', NFRB, 9th October 1957.

It certainly cannot be argued that price policy played a role in the tendency towards an emphasis on grain. If anything relative prices in this period compared to the 1930-36 period had tended to move in favour of non-grain farm products (see Appendix D, Table 7). Moreover, with a state price structure broadly similar to that of pre-1949 it remained the case that the net income per unit of farmland tended to be considerably higher for non-grain than for grain production (see Appendix D, Table 8). Rather, it was widely perceived that excessively pushing farmers in a particular area to grow more grain than they wished involved a sacrifice of income:

'Some people energetically oppose this policy [taking grain as the main thing/ saying that the policy of taking grain as the main thing will not increase the peasants' standard of living pointing out that the target for increased grain output involves a sacrifice in terms of the grain that could be had from growing economic crops.'⁽⁶¹⁾

A final factor that must be considered in respect to the influences on the agricultural production structure is the nature of the collectivisation process itself, according to the APC rules a sizeable private sector was to be retained even within the 'higher-stage' collectives. Each household was to be allowed a small private plot allocated on a per capita basis and not exceeding five per cent of the average landholding of the village.⁽⁶²⁾ Moreover, each member household was permitted to retain small holdings of trees,⁽⁶³⁾ and small farm animals.⁽⁶⁴⁾ In Guangdong, as in other parts of China, the average size of private plots in the 'upsurge' of 1955-6 generally was well below the five per cent maximum.⁽⁶⁵⁾ Moreover, the pressure of collective work was so great that the peasants frequently did not have time to work on their private plots.⁽⁶⁶⁾ There is no doubt that pigs and small tree groves were taken into collective ownership on a widespread basis in 1955-6.⁽⁶⁷⁾ Moreover, the terms on which such means of production were collectivised frequently, were considered unsatisfactory. The APC's often placed too low a value on them, spread out the planned payment over too many years, or even failed to make any payment at all.⁽⁶⁸⁾ Such practices were corrected extensively in 1957, when there was a widespread return of 'small' means of production to private ownership (e.g. pigs, poultry, tree groves, fish ponds).⁽⁶⁹⁾ APC members' rights to hold private plots were respected more fully, to

the extent that a government regulation of June 1957 even permitted private plots to be increased to a maximum of ten per cent of APC arable land.⁽⁷⁰⁾ A final factor relevant to the impact of collectivisation on the structure of farm production is the shortcomings in internal planning within the APC's. Inexperienced APC cadres frequently found it easier to organise grain production rather than the more complex economic crop and sideline production, so that the latter activities tended to get neglected.⁽⁷¹⁾ The net impact of collectivisation on the production structure was as follows. In the year of the 'socialist high tide' (1955-6) the factors outlined above tended to reinforce the stress as grain rather than non-grain production, but in 1957 many of these 'deviations' were corrected so that there was a tendency to reverse the emphasis away from non-grain output.

(iii) Output performance

Weather is, of course, critically important in agriculture, though naturally its effect will be confined mainly to short-run fluctuations. In the long view of South Chinese weather conditions the early and mid-1950's appear as a time of relatively favourable conditions. There were no major catastrophes of the kind that have periodically afflicted Guangdong province. The most recent major disaster before 1949 was the great drought of 1943 in which there were over ninety successive rainless days. It was said by the post-1949 government that over three million people had died of starvation in that year.⁽⁷²⁾ Part of the reason for the lower incidence of natural disasters in the 1950's may be the improvements brought about to the system of defences against the forces of nature. It has been recognised widely that under the late Qing dynasty (1644-1911) and during the Republican period (1911-1949) the complex system of water control that exists especially in the coastal and deltaic agricultural areas had been badly neglected, so that the post-1949 government inherited what has been termed a 'hydraulic opportunity', that is, 'the opportunity to raise the productivity of agriculture enormously through a regenerative hydraulic revolution'.⁽⁷³⁾ While the application of modern inputs to water conservation still was in its infancy in Guangdong by the end of the First Five Year Plan,⁽⁷⁴⁾ tremendous activity had taken place to restore the system to its peak under Imperial rule,⁽⁷⁵⁾ though the potential to expand beyond this

with purely 'traditional' inputs was probably quite limited in an agriculturally advanced province such as Guangdong.⁽⁷⁶⁾ However, the expansion and improvement of the system of water works does not alone explain the absence of major disasters in the early and mid-1950's. The weather must take an important part of the credit, as was brutally revealed by the enormous natural disasters of flooding in 1959 (with lesser disasters in 1960-61) and drought in 1963 (the latter lasting for about 8-9 months).⁽⁷⁷⁾ The extent of the impact of the natural disasters of the late 1950's and early 1960's, compounded by the organizational problem in the rural people's communes (see Chapter 5), can be gauged from Tables 2.1 and 2.2: Guangdong's sown area in 1960 had shrunk to 87 per cent of 1957, grain output had fallen to 80 per cent of the 1957 level, sugar cane to 75 per cent, and pig numbers to only 59 per cent.

While no disasters on the scale of 1943, 1959, or 1963 struck Guangdong between 1952 and 1957, there were important variations in the weather from year to year. Guangdong is in the typhoon region, which especially affects the centre and Western coastal areas.⁽⁷⁸⁾ The rice crops are critically dependent on obtaining water at the appropriate time, so variations in the regularity of the arrival of the monsoon rains have a big impact on yields. The Pearl River Delta, and on a smaller scale the Han River Delta, are extensively dyked, so that there is a perennial danger of flooding. Similarly, away from the main riverine areas, the problem of drought is the ever-present worry, especially in the more barren western part of the province where the run-off rate of surface water is high.⁽⁷⁹⁾ Consequently in virtually every year some part of the province suffers from some kind of natural disaster.⁽⁸⁰⁾ In the 1952 to 1957 period, however, there is only one year that stands out as having been affected by natural disasters in a notably more severe fashion than 'normal' years and that is 1955 when there was a severe drought affecting large parts of the province. While not as severe as 1943 or 1963 it certainly caused above normal damage to farm output.⁽⁸¹⁾

In making an analysis of the growth of the Guangdong rural economy it is useful to look at the years 1952 and 1957 if one wishes to assess performance in 'normal' years, since neither was a year of outstandingly good or bad weather. Moreover, 1952 forms a useful base year, as by that date recovery to pre-1949 peak levels of output had been attained in most important farm sectors (see Table 2.4). 1957 is useful also, in that it was a year of relative stability in rural institutional structure, in comparison with the large changes that occurred in so many other years in the 1950's.

Table 2.4 Output per capita of rural population in Guangdong province. 1952-1978

	Unit	1952	1957	1960	1966	1976	1977	1978
Grain	jin	617	703	524	692	730	793	728
Sugarcane	jin	202	300	209	304	382	402	401
Peanuts	jin	10.1	11.7	6.0	15.5	16.5	15.4	16.9
Live stock:-								
Pigs (in the pen)	no.	0.20	0.27	0.15	0.34	0.46	0.43	0.44
Draft oxen	no.	0.13	0.13	0.10	0.10	0.09	0.09	0.08
Gross value of agricultural production	yuan (1970 prices)	128	156	119	169	175	176	176

Source: Output data: Tables 2.1-2.2.

Population data: total population figures were taken from Appendix B, Table 8. The 1953 and 1957 figures include the Qin Zhou/He Pu S.D. in the West of the province. It was roughly assumed that this area contained about 5% of the total population on the following basis: the district contained about 7-8% of the total arable area of the province in the mid-1950's (from K.R. Walker, Provincial Grain Output in China, 1952-57: A Statistical Compilation, London: Contemporary China Institute, 1977, p. 22, and Appendix B, Table 1); however, the quality of soil, access to irrigation facilities, and location relative to urban markets, was relatively poor, so that population density generally was below 200 persons per square m. (see Figure 4.4). Accordingly, its share of total provincial seems likely to have been well below 7-8%; 5% seems a reasonable guess as to its likely share. On this basis, using the data in Appendix B, Table 8, and interpolating for years when data are not available, the population of Guangdong excluding the Qin Zhou/He Pu S.D. was estimated to be (million):- 1952 = 32.3, 1957 = 36.1, 1960 = 38.8, 1966 = 44.5, 1976 = 53.5, 1977 = 54.3, 1978 = 55.1. Rural population in the mid-1950's in Guangdong province came to about 86% of total population (Appendix B, Table 8; see note (d) for the definition of 'rural' used). Across the whole of China it is estimated that 'rural' population fell from 86% in 1957 to 81% in the mid-1970's (T.G. Rawski, Economic Growth and Employment in China, London: Oxford University Press, 1979, p. 33). In the absence of precise data I have simply assumed that in Guangdong also the share of rural population has fallen slightly since the mid-1960's to around 81% of the total. A rough estimate of rural population in Guangdong (excluding Qin Zhou/He Pu S.D.) is thus: (millions) 1952 = 27.7, 1957 = 31.0, 1960 = 33.4, 1966 = 38.3, 1976 = 43.3, 1977 = 44.0, 1978 = 44.6.

Over the period 1952 to 1957 agricultural output in Guangdong grew at about 6.3 per cent per annum (see Table 2.2), approximately three times the growth rate of provincial population. The rough estimates in Table 2.4 suggest that gross value of agricultural output (at constant 1970 prices) per capita of rural population in Guangdong may have risen by almost 23 per cent between 1952 and 1957.

Charting year to year changes in the gross value of agricultural production in Guangdong is less satisfactory. It appears that the gross value of farm output (constant prices) rose by about ten per cent in 1955-6, but the degree of increase from 1956 to 1957 is not clear, it may have been as low as three per cent or as high as thirteen per cent. Ambiguity in the data prevents a firm conclusion (see Appendix B, Table 21). A more complete series is available for neighbouring Fujian province, where the average value of agricultural output per capita of the agricultural population (constant prices) changed in the following fashion:-(82)

(yuan)

1949	50.60	1953	70.59
1950	58.78	1954	68.80
1951	60.81	1955	69.92
1952	66.89	1956	76.73

The best way to look at variations from year to year is rather via the information on physical output. Over the whole period there was a slight shift away from agriculture proper towards other farm activities, such as fishing, sideline, and forestry (see Table 2.2), though the shift that occurred in the 1960's and 1970's was more pronounced.

Physical output grew well ahead of population growth in most sectors between 1952 and 1957 (see Table 2.4). The major item, grain grew at over five per cent per annum, and the major farm products other than grain grew at considerably faster rates in most cases. (see Table 2.5). Grain output grew strongly from 1952 to 1954, at almost eight per cent per annum. In the particularly bad weather of 1955 grain output declined. A bumper harvest followed in 1956, a product both of good weather and the particular attention given to grain production in the first year of widespread collective farming. As the balance swung back towards non-grain production in 1957, the performance of grain was much less satisfactory. The extensive information on different xians. (Appendix D, Table 10) confirm the broad pattern mentioned above for provincial

Table 2.5 Compound annual growth rate, and percentage change from one year to next, in major items of farm output, Guangdong province (including Qin Zhou S.D., except where specified).

Item	Compound annual growth rate 1952 to 1957 (%)	Percentage change from one year to next:-					Year in which pre-1949 peak output was attained
		1952/3	1953/4	1954/5	1955/6	1956/7	
Grain	5.2	+8.6	+7.0	-0.7	+10.1	+1.7	1952(f)
Sugar cane	10.6	-13.9	+35.6	+9.5	+5.6	+23.5	at latest 1952(f)
Peanuts	4.4	-3.1	+19.4	-5.4	+17.1	-2.4	at latest 1952(f)
Silk cocoons	3.1(a)(d)	n.a.	+7.1	+3.0	-9.4	+16.9	not attained by 1957
Oranges/tangerines	15.3(b)	+37.8	+29.1	-<0.9	'slight fall'	n.a.	not attained by 1957
Ramie fibre	7.1(b)	n.a.	n.a.	n.a.	+17.9	n.a.	n.a.
Jute	21.1	-17.5	+55.0	+74.3	+32.6	-10.8	at latest 1952(f)
Tea	20(approx.)(b)(c)	+37.0(e)	+8.1(e)	+22.5	+2.0	n.a.	not attained by 1957
Yellow tobacco	20(approx.)(b)	n.a.	n.a.	+71.9	+34.5	n.a.	at latest 1952(f)
Pigs	6.7(d)	+<27.0	+17.1	-10.2	-15.7	+45.8	n.a.
Cattle	3.2(d)	+<15.6	+17.6	+2.0	-0.2	-5.7	1950(f)
Fish - Freshwater	10.2(d)						
- Seawater	23(d)	+<13.3	+15.6	+32.3	+1.5	+28.2	1954(g)

Source: Appendix B, Tables 9-20

Notes:

- (a) 1953 figure excludes Qin Zhou S.D. (b) 1952-56.
(c) 1952 figure excludes Qin Zhou S.D. (d) 1953-57.
(e) Excludes Qin Zhou S.D. (f) Both pre-1949 peak and post-1949 re-attainment of peak includes Qin Zhou S.D.
(g) Pre-1949 peak excludes Qin Zhou S.D.

grain production. Prior to 1949 Guangdong had regularly 'imported' relatively small amounts of grain.⁽⁸³⁾ By 1952 it had become basically self-sufficient and even 'exported' a small surplus to other provinces.⁽⁸⁴⁾

The major item of non-grain production in the province was pigs, sugar cane, and peanuts. Pigs provided the major source of meat; in 1957 there was no less than one pig on average for every 3.6 rural dwellers (Appendix B, Tables 8 and 10). The importance of sugar cane and peanuts can be judged by the fact that they occupied respectively 1.5 per cent and 3.2 per cent of the sown area at the end of the First Five Year Plan (Table 2.1), placing them well ahead of the sown area of other economic crops (see Appendix B, Tables 5-7). Guangdong is much the most important single Chinese province for sugar cane production,⁽⁸⁵⁾ and in 1957 the value of sugar cane output was over half of the production value of Guangdong's principal economic crops.⁽⁸⁶⁾ More than sixty per cent of total sugar production in 1957 was sent out of the province.⁽⁸⁷⁾ Despite the important place of peanuts in the province's rural economy, and the presence of other edible oil-producing crops (e.g. sesame seed, coconut), Guangdong still was a net importer of edible oil in the 1950's.⁽⁸⁸⁾ Other important non-grain items of farm output in Guangdong are fish, jute, mulberry/silk cocoons, fruit, forest products, tobacco, and tea.

What, then, was the pattern of change of material production of these principal items of non-grain production in Guangdong? After apparently quickly recovering and substantially surpassing the peak pre-1949 output both sugar cane and peanuts experienced a fall in production in 1955. Most other important non-grain products, however, grew substantially in 1951-3 (see Table 2.5), though it should be noted that the most rapid growth was in sectors that still were way below their pre-1949 peak output (tea and citrus fruit). Much more straightforward is the picture for 1953-4, which saw an unequivocal rapid advance in all sectors of non-grain production, taking total production of sugar cane, peanuts, jute, and tobacco, well beyond the peak level of pre-1949. The picture becomes more clouded in 1954-5, in part due to bad weather, but probably also due to the stress in state policy on grain, and the effects of the 'squeeze' on grain output exercised through taxation and compulsory purchase. Most notable was the decline in pig numbers, though this led to a short-term increase in pork supplies. During the year of collectivisation, 1955-6, the strong performance of grain production is in contrast to the weak performance in some non-grain sectors, notably pigs, but also fish, tea, citrus fruits, and silk cocoons. However, the picture is by no means uniformly bleak, as

some important economic crops, such as sugar cane, peanuts and jute expanded strongly. 1956-7 presents a clear contrast between the weak performance of grain output growing less rapidly than population, and the strong expansion of sugar cane output and pig numbers.

Information on lesser non-grain sectors has to be obtained from lower levels. This will be discussed in more detail in Chapter 4, but the overall conclusion is that in many less important sectors problems were experienced throughout the post-1949 period, but especially after 1954 as the state's influence through different channels tended to push the production structure towards the 'major' farm tasks, and especially towards grain. For example, in the whole Shao Guan S.D., covering most of Northern Guangdong, the output of tea-seed oil, native paper, mushrooms, and tea leaves, declined in the mid-fifties, and remained throughout at much lower levels than pre-1949.⁽⁸⁹⁾ Shao Guan's output of native paper, an important mountain-region product, stood in 1955 at a mere 13 per cent of the pre-1949 peak output.⁽⁹⁰⁾ In Nan Hai xian in the centre of the province, the number of chickens, ducks, and geese in 1955 was only fifty per cent and the area sown with squashes was only 66 per cent, of that of 1953; the number of milk cows had fallen from 1040 in 1953 to 406 in 1955.⁽⁹¹⁾ On Hainan Island economic crop and sideline output was reported to have 'declined slightly' in 1955-6,⁽⁹²⁾ and in the Zhan Jiang S.D. it was admitted that sideline and economic crop production had been neglected prior to 1956.⁽⁹³⁾

The growth of farm output in Guangdong between 1952 and 1957 followed an uneven course. The 1952 to 1954 seems likely to have witnessed faster overall growth of material production than the 1954-5 period: 1954-5 saw a poor performance in many important sectors including grain; 1955-6 saw a good performance in grain, but a poor one in some important non-grain sectors, especially animal husbandry; while 1956-7 saw a good performance in most non-grain sectors it saw a bad one in grain production.⁽⁹⁴⁾

2. Conditions of disposal of farm output

Changes in rural real income was determined by more than the growth of farm output relative to the growth of farm population. It

depended additionally on the disposal of that output, and in particular on the contribution made by the farm sector to development outside that sector and the implications of this for rural income levels. The central questions here are the following. Firstly, to what extent were rural wage goods transferred to the urban sector?⁽⁹⁵⁾ The size of such transfers constituted a critical constraint on the growth of the labour force in the urban sector and so was of great importance for the growth of industrial production.⁽⁹⁶⁾ The second issue is the degree to which such transfers were accompanied by a return flow of commodities to the rural areas. In other words, to what extent did transfers of wage goods out of agriculture consist of pure taxes, and, to the extent that such transfers were paid for, what command over industrial commodities did such payment represent (i.e. what was the nature of the urban-rural terms of trade)?

(a) Agricultural tax

The Chinese government was determined that land reform would not result in consumption by the working peasants of the entire product that previously had been paid over in land rent and other forms of surplus extraction. The most direct method of ensuring this was the agricultural tax, paid primarily in grain.⁽⁹⁷⁾ The absolute size of the tax increased in the immediate post-1949 period in Guangdong, until by 1953 it amounted to almost fifteen per cent of the total provincial output of grain (see Table 2.3). In the early post-1949 period prior to the full recovery of agriculture and before land reform had got under way in Guangdong the tax amounted to over fifteen per cent of 'agricultural income' (presumably including only 'agriculture proper', as opposed to the broader concept of agricultural output embracing all farm activities), and still stood at over twelve per cent in 1954 (see Table 2.6). Thereafter the tax remained more or less stable at around 200-210 m.yuan, declining to about eight per cent of agricultural income at the end of the First Five Year Plan (see Table 2.6). The 'surplus' of gross value of agricultural production per peasant after the deduction of the agricultural tax (but not deducting production costs and other expenses) in Guangdong reportedly altered in the following fashion:⁽⁹⁸⁾

Table 2.6 Agricultural taxation in Guangdong province

	1951	1952	1953	1954	1955	1956	1957
Value of agricultural tax (m. yuan)(a)	n.a.	n.a.	205.44	240.37	210.68	200.62	n.a.
Agricultural tax as a proportion of agricultural income (nong-ye shou-ru)(%)(c)	n.a.	n.a.	10.38	11.20	10.26	9.02	8.46
	15.44	12.3	11.43	12.43	10.8	7.96	n.a.
Agricultural tax as a proportion of gross value of agricultural output (nong-ye zong-zhi)	n.a.	n.a.	6.99	8.56	7.53	6.47	n.a.

Source: Appendix B Table 23

Notes: (a) Explicitly includes xiang-level levies.
 (b) and (c) are two slightly different series each given in more than one source.

1952	=	90.09 yuan
1953	=	94.78 yuan
1954	=	99.00 yuan
1955	=	93.40 yuan
1956	=	101.22 yuan

The agricultural tax made a substantial contribution to Guangdong's budgetary revenues, amounting to 18.7 per cent of the total in 1956,⁽⁹⁹⁾ and probably considerably more than this in the early 1950's.⁽¹⁰⁰⁾

Much was made in the Guangdong press of the fact that while the agricultural tax was paid by the peasantry it was also to a considerable degree 'used for the peasants'. A portion of the value of agricultural taxation went straight back to the peasantry as state finance for agricultural investment, of which the most important was water conservancy. In the early 1950's such investment amounted to less than ten per cent of the value of the agricultural tax, but by 1954 they had increased to thirteen per cent; by 1955 they had risen to almost 26 per cent, and in 1956 they exceeded thirty per cent (Appendix B, Tables 23-24). The inclusion of disaster-relief funds and loans of various kinds raises the return flow of funds considerably. Indeed, in 1956 the total value of investment plus transfers to agriculture exceeded the value of the agricultural tax by at least nine per cent (Appendix B, Tables 23-24).

(b) Compulsory purchase

Not only through the agricultural tax did the Chinese government attempt to stave off the classic post-land reform situation of an increase in the rate of peasant self-consumption of farm products and a decline in the rate of marketing.⁽¹⁰¹⁾ They also instituted an effective system of compulsory state purchase of farm products. This was implemented successfully before the collectivisation of agriculture in 1955-56 and given the high income elasticity of demand of the peasants for many key agricultural products,⁽¹⁰²⁾ and the relatively low price that the state paid for these purchases (see below), this is an eloquent testimony to the great strength of the CCP in the rural areas (see discussion in Chapter 5).⁽¹⁰³⁾

Prior to November 1953 the state purchased grain in the free market; in Guangdong in 1952, for example the proportion of grain pur-

chased by the state was roughly equal to that purchased by private individuals (Table 2.3). However, the level of marketings at existing prices was inadequate to meet the needs of the industrialisation drive. Either prices had to be increased, diverting resources away from the planned emphasis on heavy industry or extensive state control of grain marketings had to be introduced. It was the latter course that was chosen, and appropriate measures introduced at the end of 1953. Under the system of planned purchase (introduced for food grains in November 1953, extended to edible oil, oil-bearing crops and cotton, in Guangdong in 1954)⁽¹⁰⁴⁾ the peasants were obliged to sell stipulated amounts to the state at prices fixed by the state. One of the characteristics of the quotas set by the state was that they embraced the greater part of peasants' 'surplus' production that they might have desired to market (in the case of food grain the 'surplus food grain' after deductions of grain for personal consumption, seed and animal feed).⁽¹⁰⁵⁾ In addition to 'planned purchase', the state also purchased farm products under the system known as 'unified purchase'. Under this method the state entered into contracts with the producer for the purchase of a certain proportion of total production, and the remainder theoretically could be freely disposed of. In fact, since the proportions erred on the high side and price control was enforced strictly these purchases differed little from 'planned purchase', with the exception of the period of the relaxation of the free market from October 1956 to August 1957.⁽¹⁰⁶⁾ Initially, the remaining major agricultural products, such as live pigs, sugar cane, and tea were purchased in this fashion,⁽¹⁰⁷⁾ but the system was extended to include a large number of minor local products.⁽¹⁰⁸⁾

A free market was permitted to exist throughout this period. Part of the transactions in it represented the remainder of the marketed products after the deduction of designated items subject to planned and unified purchase. However, the volume of these transactions was limited, and there were strict controls on where the market was to be held, who was permitted to participate in it, and the price at which such commodities were to be sold.⁽¹⁰⁹⁾ The remainder of transactions in the free market consisted of exchanges of the traditional type between one farmer and another, and between the farmer and the direct consumer in the local markets, the items including 'native products', vegetables, domestic animals, and domestic poultry; it was this category alone that was able

to maintain comparative freedom throughout the period.⁽¹¹⁰⁾ In 1953 free market sales still amounted to about 44 per cent of total farm sector marketings in China (agricultural tax plus state purchases plus free market sales), but the following year it fell to about 28 per cent, and remained at around this level throughout the 1955-7 period.⁽¹¹¹⁾ The state's dominance of China's grain marketings was even more marked. The share of state purchases plus agricultural tax rose from 73 per cent of the total marketed in 1951-2, to 90 per cent in 1953-4, when compulsory grain purchase was introduced, and stayed above ninety per cent throughout the remainder of the 1950's.⁽¹¹²⁾

The effect of the extension of state control may be assessed easily from an examination of Table 2.7. Output of grain per person increased considerably in the early years of this period, from 1952 to 1954 (col. (viii)). At the same time the state rapidly increased the total amount of grain requisitioned from the countryside, from 5510 m.jin in 1952 to 12852 m.jin in 1954 (col. (v)). So severe was the squeeze that the amount of grain retained per peasant actually fell from 494 jin in 1952 to 464 jin in 1954 (col. (ix)). It was acknowledged widely in the Guangdong press that in the period preceding collectivisation too much grain had been taken forcibly from the countryside, and that it had included the peasants' grain for both personal consumption and animal fodder.⁽¹¹³⁾ Mao himself admitted:

'Our relations with the peasants have always been good, but we did make a mistake on the question of grain. In 1954 floods caused a decrease in production in some parts of our country, and yet we purchased 7,000 million more catties /jin/ of grain. A decrease in production and an increase in purchasing - this made grain the topic on almost everyone's lips in many places last spring, and nearly every household talked about the state monopoly for marketing grain. The peasants were disgruntled and there were a lot of complaints both inside and outside the Party.'⁽¹¹⁴⁾

In response to the crisis in grain supply the state increased rural grain re-sales in 1954-5 (Table 2.7, col. (iv)) with almost one-third of total state requisition being re-sold to the rural areas (though a part of this was supplied to non-farmers in the countryside and peasants in grain deficit areas).⁽¹¹⁵⁾ Moreover, in 1955 the combined level of

Table 2.7 Grain production and consumption in Guangdong province

Year	(i) Grain output (m. jin)	(ii) Grain tax (zheng) m. jin	(iii) State purchase (net) (gou) m. jin	(iv) Re-sales to rural areas (m. jin) ¹	(v) Gross state grain requisitions (ii) + (iii) + (iv) + (vi) m. jin	(vi) Sales to private market m. jin	(vii) Seed and fodder m. jin ¹	(viii) Output of grain per capita of total population jin	(ix) Grain retained per peasant, including seed and fodder:-	(x) Including re-sales jin ³ jin ⁴	(xi) Not speci- fied if re-sales included jin ⁵	(xii) Personal grain consumption per peasant, including re-sales, excluding seed and fodder jin ⁶ jin ⁷	(xiii)
1952	18910	2018	1792		5508	1698	(1501)	549	494(557) ²			439(501) ²	
1953	20530	3011	2642		7107	1454	1630	590	466(517) ²			409(460) ²	
1953/4				3876									
1954	21960	3114	5662	(4076)	12852		1704	617	464			404	
1954/5				4275								453(+)	
1955	21800	2728	4037	(3880)	10645		1737	599	501	506	489	443	
1955/6				3485								441(+)	
1956	2400	2496	3744	(3393)	9633		1723	645	580	492	477	524	
1956/7				3300								483(+)	
1957	24400	6100		3300									
1957/8		6800		(3499)	10299		1789	642	557			500	
1957/8				3698									

Source: Appendix B, Table 34

Notes: 1 Figures in brackets are interpolated.

2 Figures in brackets assume private market grain sales remain in countryside.

3 4 5 Separate series, from different sources.

6 and 7 Separate series, from different sources.

state grain purchases plus grain tax was reduced by 17 per cent relative to 1954. Further, in August 1955 a national 'three fixed' policy was introduced. Under this policy the level of state grain purchases was to be fixed at the same level for three years. Purchases were to take 80-90 per cent of grain surplus after meeting consumption and planting needs (of households having a surplus), based on the yield in 1955. If it proved necessary to increase its purchases (as it did over much of China) then the increases were to be limited to 40 per cent of the increase in production.⁽¹¹⁶⁾ In spite of the reduction in the level of state requisitions, the bad harvest of 1955 may have produced a further dip in grain consumption in 1955/6 after some recovery in grain year 1954/5 (Table 2.7, col.'s (ix)-(x)). The recovery of grain production in 1956 and 1957 combined with net extraction levels (state requisitions minus re-sales) considerably below their peak of 1954 produced a significant increase in average per capita grain consumption in the countryside. Grain retained per peasant rose from around 480/490 jin in grain year 1955/6 to well over 500 jin in 1956/7 (Table 2.7, col.'s (ix)-(xiii)).

(c) Terms of trade between town and countryside.

The system of state requisitioning of farm produce had a direct and powerful effect on peasant consumption of commodities for which there was generally a high income elasticity of demand in the rural areas. However, only a part of those requisitions were obtained as taxes; the major part was paid for. The terms of payment are therefore of considerable importance in understanding the development of rural real income in this period. To what extent did peasants' sales to the urban sector give them a command over the products of urban industries? To what extent could peasants add directly to their consumption levels by purchasing urban industrial consumer goods, and indirectly by purchasing urban industrial producer goods?

A great deal of information about price relations between town and country relates to the state sector. However, this is not a serious problem as the bulk of trade flowed through this channel. Over the whole period 1953 to 1957, it has been estimated that 65 per cent of farm exports went through the state and co-operative sector, and

59 per cent of non-agricultural sector sales to the farm sector went through state and co-operative channels.⁽¹¹⁷⁾ Moreover, it has been noted already that over a wide range of products in the 'free' market state price control operated.

No secret was made of the fact that compared to the 1930's, prior to the anti-Japanese war, relative prices had moved in favour of industrial commodities and against agricultural commodities:

'Due to the disturbances of the twenty years of war and Guomindang rule, resulting in inflation, the people suffered greatly from devaluation and disturbance in the currency; the war and currency instability caused great damage to industrial and agricultural output, and a great gap between the price of industrial and agricultural commodities.'⁽¹¹⁸⁾

This was reflected in national data which showed that the retail price of industrial commodities in 1950 was 31.8 per cent higher relative to the purchase price of agricultural commodities than had been the case in 1930-36 (see Table 2.8). Even after the relative improvement in agricultural prices during the 1950's, there still were people in Guangdong who pointed out the relative cheapness of certain industrial commodities before 1949 in an effort to prove that the current agricultural prices were not fair.⁽¹¹⁹⁾ However, for the mass of the population the period when industrial products had been much cheaper relatively may perhaps have seemed a long way off, and in between lay a period of immense socio-economic upheaval during which the terms of trade had moved strongly against the rural sector. Their main frame of reference in judging the movement of the relative price level of agricultural and industrial prices in the 1950's may accordingly have been the late 1940's and early 1950's rather than the early 1930's. The fact that throughout the period 1952 to 1957 a unit of farm exports purchased a smaller quantity of farm imports than in the 1930's was useful for the state in ensuring that resources were not diverted from the industrialisation drive. Measured in terms of 1936/7 prices careful calculation by Ishikawa has shown that over the whole 1952-7 period there was a net outflow of resources from the farm to the non-farm sector.⁽¹²⁰⁾ By only gradually changing the inherited price relations the state was able to use that price structure

Table 2.8 Ratio of index of industrial retail prices in rural areas
to agricultural purchase price index: All China.

<u>Year</u>	<u>1936 = 100</u>	<u>1930-36 = 100</u>	<u>1950 = 100</u>
1950	145.3	131.8	100.0
1951	-	124.4	92.2
1952	-	121.8	90.3
1953	-	109.6	81.7
1954	-	109.2	80.7
1955	-	111.3	82.8
1956	-	107.0	79.6
1957	-	103.2	76.7

Source: Statistical Office, TJGZ, 'Price gaps between industrial products and farm products, and their changes in post-Liberation years', TJGZ, No. 17, 1957, translated in ECMM, No. 104, 1957.

Note: The indices in the table are obtained by dividing the retail price index of industrial products by the agricultural product price index.

Table 2.9 State purchase price for grain^(a) in Guangdong, 1950-1957

Year	Index	Actual price ^(b)
1950	100 (1)(2)	5.50
1951	107.64 (1)(2)	-
1952	114.68 (1)(2)	-
1953	119.77 (1)	-
1954	122 (1)(2)	-
1955	121.92 (1)	-
1956	122.02 (1)(2)	-
1957	128 (3)(c)	7.04

- Sources: (1) Xie Nan-shi, 'Are the prices ...'
 (2) Guangdong CCP, 'Correctly understand the relationship ...'
 (3) Pang Tao, 'If the unified purchase and unified marketing of grain is rescinded, how can living standards be transformed?', NFRB, 1st Nov. 1957.

- Notes: (a) Average quality unhusked rice (dao gu)
 (b) According to data from 67 markets; yuan per dan
 (c) Derived from actual price in column 2.

Table 2.10 Relative prices of agricultural and industrial prices in Guangdong, 1950-1955.

Year	State purchase price for all agricultural commodities Index (i)	Retail price of industrial commodities Index (ii)	'Scissors' price differential ((ii) - (i))
1950	100	100	100
1955	116.26	97.55	83.9

Source : Xie Nan-shi, 'Are the prices ...'

to assist the allocation of resources to development purposes at the same time as improving the terms of trade for the rural sector and thereby winning political support.

What was the course of relative prices of agricultural and industrial commodities in the 1950's in Guangdong? The state purchase price for grain rose rapidly from 1950 to 1953 (Table 2.9) increasing by about twenty per cent in these years. There was only a slight increase in 1953-4, and no increase at all from 1954 to 1956. Only in 1957 did a further upward movement take place. / From 1950 to 1956 the state purchase price of grain increased more rapidly than the price of all farm commodities taken together (Table 2.10), so that the increase in the purchase price of non-grain commodities must have been less than 16 per cent over this period. The retail price of industrial commodities fell slightly in the 1950-1955 period so that there was a considerable improvement in the price of agricultural commodities relative to industrial commodities, (Table 2.10).

An alternative way of approaching the urban-rural terms of trade is to examine the amount of a given industrial commodity that a certain amount of a given agricultural commodity could in principle exchange for over time. The agricultural commodity generally used in Guangdong in the 1950's to illustrate such changes was unhusked rice (dao gu). It should be noted, however, that the price index for rice rose more rapidly than for other agricultural commodities, so that the improvements for the agricultural sector as a whole would have been somewhat less than those indicated in the following discussion, which is solely in respect to grain. The data on such rates of exchange in Guangdong are summarised in Table 2.11. The long-run trend is clear: the amount of industrial commodities that a given amount of grain would exchange for at the end of the First Five Year Plan was, generally speaking, greater than in the early 1950's.

TABLE 2.11: Amounts of different industrial commodities that 100 jin of unhusked rice (dao gu) would exchange for in Guangdong, 1950-57

Item	Area	Unit	1950	1951	1952	1953	1954	1955	1956	1957
Chemical fertiliser (fei tian liao)(a)(1)	Ping Shan qu, Hui Yang xian	jin	19.68	26.18	25.63	33.73	35.45	34	39.88	-
Chemical fertiliser (fei tian liao)(a)(1)	Cheng Guan qu, Nan Xiong xian	jin	12.85	15.31	17.63	28.83	32.79	32.26	35.71	-
Kerosene	(b)(2) Lian Xian	jin	5.47	-	-	-	-	-	-	10.75
Kerosene	(c)(1) Li Hu qu, Pu Ning xian	jin	9.00	8.80	9.65	12.56	13.22	11.24	11.24	-
Kerosene	(c)(1) Rong Qi qu, Shun De xian	jin	12.87	7.54	11.91	14.93	15.39	14.38	13.81	-
Kerosene	(c)(1) Lian Zhou qu, Lian xian	jin	5.49	5.50	7.42	11.74	11.63	10.75	10.75	-
Kerosene	(3) Guangdong	jin	4.56	-	-	-	-	6.05	-	-
Towelling (mao jin)	(d)(1) Rong Qi qu, Shun De xian	lengths (tiao)	14.83	15.16	16.21	17.59	17.85	17.44	-	-
Towelling (mao jin)	(d)(1) Lian Zhou qu, Lian xian	lengths (tiao)	5.89	9.22	8.67	9.17	9.30	9.15	-	-
Coloured cloth (se bu)	(e)(1) Li Hu qu, Pu Ning xian	chi	13.24	12.63	12.99	13.56	13.94	14.08	14.08	-
Coloured cloth (se bu)	(f)(1) Lian Zhou qu, Lian xian	chi	7.55	9.92	11.74	12.55	13.93	13.93	13.91	-
Coloured cloth (se bu)	(f)(1) Rong Qi qu, Shun De xian	chi	16.32	15.02	15.57	15.52	17.04	17.00	-	-
Cotton cloth	(3) Guangdong	chi	20.60	-	-	-	-	22.5	-	-

TABLE 2.11: (Cont'd)

Item	Area	Unit	1950	1951	1952	1953	1954	1955	1956	1957
Plain white calico(a)(2)	Lian xian	chi	11.11	-	-	-	-	-	-	20.43
Rubber-soled shoes (1)	Li lu qu, Pu Ning xian	pairs	2.17	2.04	1.76	1.91	1.95	1.87	-	-
Rubber-soled shoes	Rong Qi qu, Shun De xian	pairs	1.36	1.14	1.00	1.10	1.09	1.08	-	-
Rubber-soled shoes	(g) (1) Lian Zhou qu, Lian xian	pairs	1.25	1.66	2.13	1.88	1.79	1.91	-	-
White sugar	(b) (2) Dong Guan xian	jin	9.26	-	-	-	-	-	-	12.32
White sugar	(3) Guangdong	jin	9.26	-	-	-	-	12	-	-
Salt	(3) Guangdong	jin	42.61	-	-	-	-	48.83	-	-
Edible oil	(3) Guangdong	jin	9.23	-	-	-	-	10.41	-	-

Sources:

- (1) Xie Nan-shi, 'Are the prices ...'
 (2) Pang Tao, 'If the unified purchase ...'
 (3) Guangdong CCP committee propaganda department, 'Affirm achievements, overcome shortcomings, consolidate the victory of the apc's, struggle for the achievement of even greater agricultural production', NFRB, 19th, 20th, 21st Jan. 1957.

Notes:

- (a) Each has different brand name.
 (b) Rate of exchange with No.4 unhusked rice
 (c) 'Soviet Union No.2' brand.
 (d) Each has different brand name.
 (e) Has different brand name from (f).
 (g) Brand name is different in each case.

There are, however, some important qualifications to be made to that picture.

Firstly, there were important regional differences, which will be discussed in Chapter 4. Secondly, the provincial-level rates of exchange of grain with consumer goods did not change so rapidly as it appears, on the basis of limited data, that the rate of exchange of grain with capital goods changed. Between 1950 and 1955, the compound annual growth rate in the amount that could be purchased with a given amount of grain, was 5.7 per cent for kerosene, 5.3 per cent for white sugar, 2.8 per cent for salt, 2.4 per cent for edible oil, and 1.7 per cent for cotton cloth. The average annual rates of increase in the amount of chemical fertiliser that could be purchased by a given amount of grain were, in the same period, 15.2 per cent in one part of Guangdong, and 22.7 per cent in another part. The tendency for the price of capital goods purchases from the industrial sector to fall more rapidly than industrial consumer goods purchase price has been a long-run phenomenon extending through the whole post-1949 period.⁽¹²¹⁾

Naturally in the 1950's the small amount of capital goods supplied to the countryside meant that the contribution of the price of capital goods to the whole index of the prices of industrial commodities sold to the countryside would have been relatively small.⁽¹²²⁾ A third qualification concerns the temporal pattern of growth. In nearly all cases for which year-by-year changes are available, the major part of the increase that was to occur from 1950 to 1955-56 took place between 1950 and 1953. The movement in the rate of exchange between 1954 and 1956 was, at best, a slight improvement in the relative position of grain, and at worst a slight deterioration.

The issue of the urban-rural terms of trade was raised during the 'Hundred Flowers' campaign in 1957. In response to criticism from the rural sector concerning the slow improvement in the relative price of agricultural commodities, the government gave careful attention to explaining why the terms of trade could not be moved more quickly in agriculture's favour. It was argued that if there was an all-round rise in agricultural prices, it would simply be followed by an increase in the retail price of agricultural commodities and a corresponding rise

in the price of industrial commodities, or otherwise state expenditure would have to be diverted away from the construction fund and, by implication, towards peasant consumption.⁽¹²³⁾ Looking at the issue from the other side, it was argued that to universally lower industrial commodity prices would create a severe shortage of stocks.⁽¹²⁴⁾ This was due to the inadequacy of supplies of agricultural raw materials to light industry.⁽¹²⁵⁾ and, by implication, because the state did not wish to divert funds from heavy to light industry. Consequently behind the prevailing urban-rural price relations, and the reluctance of the state to rapidly alter them, lay the desire to maintain a high rate of capital accumulation, especially in heavy industry.

The Chinese government was fortunate to inherit terms of trade between town and country that had moved so strongly against the farm sector. It could appear to be assisting the peasants by allowing the terms of trade to move in favour of agricultural commodities, yet still by the end of the First Five Year Plan things had not returned to the situation of the 1930's prior to the war with Japan. This undoubtedly assisted the state in raising the level of accumulation compared to that period by controlling the degree to which peasant demand for industrial consumer goods increased. Moreover, the major part of the improvement for agriculture occurred in the early years after 1949, and during the years of rapid industrial advance under the First Five Year Plan there was little improvement in the terms of trade for agriculture. There is ample evidence that this hiatus was a source of discontent (see above) and that the peasantry was dissatisfied that the improvement of the early years had not been continued.

(d) Internal accumulation within the rural sector.

Careful national estimates of farm investment have been made by T.C. Tiu and K.C. Yeh.⁽¹²⁶⁾ Over the whole of the period from 1952 to 1957, as has been noted already, state investment in agriculture comprised a relatively small and diminishing component of its total investment programme: agricultural investment came to 13.8 per cent of the total in 1952, and had declined to 8.5 per cent by 1957.⁽¹²⁷⁾ The state's main hope for accelerating the rate of capital formation lay with internally financed investment within agriculture, and it was

Table 2.12 Fixed investment in China, 1952-57

Unit: billion yuan, current prices

	1952	1953	1954	1955	1956	1957
Total						
1. State investment of which:	4.36	8.00	9.07	9.46	15.05	14.04
agriculture	0.60	0.77	0.42	0.62	1.19	1.19
2. Non-state farm investment of which:	1.53	1.40	1.50	1.70	2.20	1.77
equipment	0.34	0.46	0.56	0.63	0.99	0.67
draft animals	0.42	0.36	0.27	0.12	-0.11	-0.15
water conservation	0.45	0.25	0.34	0.62	0.96	0.89
buildings	0.33	0.33	0.34	0.34	0.35	0.35

Source: Yeh, 'Capital Formation', p. 540

indeed the case that about two-thirds of total agricultural investment in 1953-57 was financed in this way (Table 2.12).

Between 1952 and 1954 there was little change in total non-state agricultural investment. However, in 1955 a significant rise took place and an even larger one in the year of collectivisation, 1955-6. Agricultural investment in equipment was 77 per cent higher in 1956 than in 1954, and in water conservation was 2.82 times the 1954 level (Table 2.12). This undoubtedly reflected an attempt to raise the investment rate during the collectivisation process. Complaints were heard that in 1956 too much power had been concentrated in the hands of the APC administrative committees,⁽¹²⁸⁾ and this power seems to have been used to push up the rate of capital accumulation. A national survey of 1955 showed that the proportion of gross APC income distributed to members was 63.9 per cent in the lower-stage APC's compared to 53.2 per cent in the higher-stage,⁽¹²⁹⁾ and the higher accumulation rate achieved in the higher-level APC's was regarded as a manifestation of their superiority over lower organisational forms. The situation in 1956 was summed-up euphamistically by Deng Zi-hui: '... under present conditions in which the cadres have grasped the authority for running the co-ops, the collective advantage will be easily protected, but the individual co-op members' benefit can be easily ignored or inadequately paid attention to ...'.⁽¹³⁰⁾ The problem of a squeeze on the proportion of gross farm income available for distribution to ordinary working peasants often was exacerbated by the increase in the allocation of income to primarily administrative personnel in the countryside,⁽¹³¹⁾ as well as by the attempt to increase the provision of collective welfare facilities.⁽¹³²⁾ There were innumerable calls in 1956 and 1957 for APC leaders to 'deduct less, distribute more' (shao kou duo fen) so as to ensure that 60 to 70 per cent of gross APC income was indeed distributed to APC members for consumption purposes.⁽¹³³⁾ In 1956 in Guangdong about 60 per cent of the gross value of agricultural production was distributed to APC members for personal consumption.⁽¹³⁴⁾ In 1957 it seems that the change of policy produced a lower level of accumulation out of internal funds (Table 2.12). However, national data on 228 APC's found that an average of only 54 per cent of gross income was distributed to APC members;⁽¹³⁵⁾ in other words, the proportion still was below the recom-

mended 60-70 per cent.

On the basis of the arguments put forward earlier in this chapter concerning changes in the level of gross farm production, and in view of the information presented above, it appears likely that between 1952 and 1954, non-state farm investment constituted a declining proportion of the gross value of farm output, but that it sharply increased its share in 1955/6, at the expense of the consumption component. In 1957 it is likely that its share declined below the peak of 1955/6.

3. Trends in rural income.

(a) Value

A variety of measures of peasant income appear in the Chinese texts, and it is not always the case that data are presented in an unambiguous fashion. Sometimes data appear simply as peasant 'income' (shou-ru) without further specification. In most instances this seems to refer to 'net disposable income', but it is not always clear whether income from private sideline production is included. Sometimes, a precise reference to peasant 'net income' (jing shou-ru) is made, meaning gross agricultural income minus seeds, fertiliser, purchase of new implements, and payment of agricultural tax.⁽¹³⁶⁾ Often, 'income' data for the peasants refer to the 'value of consumption'. Generally it is to 'livelihood consumption' (sheng-huo xiao-fei) that reference is made, which includes both 'commodity consumption' (shang-pin xiao-fei) and 'non-commodity consumption' (fei-shang-pin xiao-fei). However, generally speaking for the peasantry in China in the 1950's, non-commodity consumption amounted to 5 per cent or less of the total value of consumption.⁽¹³⁷⁾ Sometimes, data refers just to the value of material or 'commodity' consumption. Moreover, it is by no means always made clear if data are in constant or current prices. Fortunately, the problem is not great for the period between 1953 and 1957 as the change in the purchase price of farm products was relatively small.

Hard data exist at the national level (Table 2.13). They suggest that a moderate increase of around three per cent per annum in real per capita peasant consumption occurred between 1952 and 1956. The

Table 2.13 Value of peasant consumption in China

(Unit: yuan per capita, constant prices)

<u>Year</u>	<u>(1)(a)</u>	<u>(2)(b)</u>	<u>(3)(c)</u>	<u>(4)(d)</u>
1936	61.2	-	61.2	61.2
1952	72.8	72.1	-	72
1953	-	73.9	-	-
1954	-	75.9	-	-
1955	-	81.3	78.9	78.9
1956	84.2	82.3	80.8	81

Source: Appendix B, Table 27.

Notes: (a) Actual consumption (shi-ji xiao-fei)
 (b) Material consumption (wu-zhi xiao-fei)
 (c) Average consumption (ping-jun xiao-fei)
 (d) Constant 1952 prices.
 (1)-(4) are each from different sources.

Table 2.14 Peasant income in different Chinese provinces (Unit: yuan per capita)

Province	1936	1941	1949	1950	1951	1952	1953	1954	1955	1956
Anhui (1)(a)	-	-	46.8	-	-	60.8	-	-	-	71.9
Fujian (2)	-	-	-	60.8(b)	-	-	-	-	-	88.8(b) 84.72(c)
Guangdong (3)(d)	85.48	-	73.07	-	-	-	-	-	-	105.43
(e)	71.64	-	67	-	-	83	-	87.84	85.86	89.8
Hubei (4)(f)	62.04	-	49.33	-	-	-	-	-	-	84.64
(g)	-	-	-	-	-	87.6	91.3	90.6	113.8	86.4
Jiangsu (5){(h)	-	-	-	-	-	80.6	82.9	82.5	95.9	90.6
(i)	-	51.0	-	-	-	82.0	-	-	77.0	76.0
Jilin(6){(j)	-	53.44	-	-	-	74.91	-	-	76.30	75.08
(k)	44	-	-	-	-	-	-	-	-	65
Shanxi										

Source: Appendix B, Table 26

Notes:

- (a) Net income (jing-shou-ru) of agricultural population: gross income minus seeds, fertiliser, purchase of new implements, and payment of agricultural tax. Per capita purchasing power of peasants: 1952 = 23 yuan, 1956 = 41 yuan.
- (b) Net income (jing-shou-ru), including 'non-production income' (fei-sheng-chan shou-ru).
- (c) Value of consumption (xiao-fei zhi).
- (d) 'Real income' (shi-ji shou-ru). } from a survey of 509 peasant households.
- (e) Livelihood consumption (sheng-hou xiao-fei) }
- (f) Value of consumption - material, cultural, and livelihood (wu-zhi wen-hua sheng-hou xiao-fei) - including private sideline production. Per capita peasant purchasing power: 1950 = 22.22 yuan, 1956 = 41.36 yuan.
- (g) Income (shou-ru). No clear indication is given, but data for urban workers in same table are at current prices.
- (h) Livelihood consumption (sheng-hou xiao-fei).
- (i) Income (shou-ru) } constant (1952) prices.
- (j) Livelihood expenditure (sheng-hou xiao-fei) }
- (k) Income (shou-ru).

TABLE 2.15 Change in income of APC members in 1956 relative to 1955

Area	Per cent with fall in income		Per cent with rise in income		Per cent with stable income	
	(i) APC members	(ii) APC's	(i) APC members	(ii) APC's	(i) APC members	(ii) APC's
All Guangdong	15(1) (2)	n.a.	70(3) (a) (b)	n.a.	n.a.	n.a.
Gao Yao s.d.	(4) 17.9(a) (c)	n.a.	66.6(a) (c)	n.a.	15.5(a) (c)	n.a.
Hainan Island	14(5) (a) (d)	40(6)	70(5) (a) (d)	n.a.	16(5) (a) (d)	n.a.
Shao Guan s.d.	(7) 17.5(a) (e)	n.a.	71.2(a) (e)	n.a.	11.3(a) (e)	n.a.
De Qing xian	(8) 16(f)	n.a.	81(f)	n.a.	3(f)	n.a.
Guang Ning xian	(9) n.a.	n.a.	70(+)	n.a.	n.a.	n.a.
He Ping xian	(10) <25(g)	n.a.	75(+) (g)	n.a.	n.a.	n.a.
Lian Shan xian	(11) <1	n.a.	99	n.a.	n.a.	n.a.
Rao Ping xian	(12) n.a.	n.a.	80	n.a.	n.a.	n.a.
Shun De xian	(13) 20-30	n.a.	n.a.	n.a.	n.a.	n.a.
Xin Hui xian	(14) <10	n.a.	90	n.a.	n.a.	n.a.
Yu Nan xian	(15) n.a.	40	n.a.	n.a.	n.a.	n.a.

Sources: (1) Editorial, 'Struggle hard for a bumper harvest', NFRB, 16th Feb. 1957.

(2) Tao Zhu, 'Develop enthusiasm to a high level ...'

(3) Guangdong CCP, 'Directive concerning the development ...'

(4) 'From poor to well-off: a mountainous area has changed its appearance', NFRB, 12th Aug. 1957.

(5) 'The people of Hainan don't permit the slanderous rumours of rightist element Yun Ying-lin', NFRB, 7th Aug. 1957.

TABLE 2.15 (Cont'd)

- Sources:
- (6) 'Hainan qu fixes a new guideline for the development of agricultural production', NFRB, 7th Sep. 1956.
 - (7) Lin Ming-yuan, 'The superiority of the co-operative system cannot any longer be denied', NFRB, 5th Aug. 1957.
 - (8) Wu Yang-an, 'The victory of co-operativisation is encouraging us to march forward', NFRB, 18th Aug. 1957.
 - (9) Guo Yong, 'The facts of Guang Ning xian also refute the absurd statements of the rightist party', NFRB, 18th Aug. 1957.
 - (10) 'The intellectuals must continue to strengthen the transformation of ideology', NFRB, 11th Aug. 1957.
 - (11) 'The two-nineties objective is surpassed', NFRB, 18th Feb. 1957.
 - (12) 'The apc's are really great', NFRB, 16th Aug. 1957.
 - (13) 'From Shun De xian ...'
 - (14) 'Eighty-one per cent of co-ops increase production', NFRB, 4th Feb. 1957.
 - (15) 'Over one thousand apc members who had left the apc voluntarily return to the apc', NFRB, 5th Oct. 1956.

Notes:

- (a) 'Households', not 'people'.
- (b) Excluding areas hit by natural disasters, about 75-80 per cent of co-operative households increased their income.
- (c) Data is for 611,414 co-op member households for income distribution at end of 1956.
- (d) Data is for all of the 214,305 households in Hainan's 3,295 APC's in the autumn income distribution.
- (e) Total number of APC's = 4,810, of which 93.7 per cent were higher-stage, containing 97.4 per cent of peasant households.
- (f) Data is for 47,924 APC member households.
- (g) Data is for all 326 APC's in the xian.

data suggest that even by 1952 pre-1949 peak levels of peasant real income had been surpassed and that by 1956 levels were about one-third higher than in 1936. Less satisfactory data are available for individual provinces and Guangdong unfortunately is no exception (Table 2.14). The only firm series that the author has been able to locate for Guangdong is for a survey of 509 peasant households. They suggest a rather slower growth of average per capita rural consumption level than the national data - about 2 per cent per annum average between 1952 and 1956. They indicate that the bad harvest of 1955 was accompanied by a decline in per capita consumption, and that despite a recovery in 1956, the level was still only marginally above the pre-collectivisation peak of 1954. Extensive data from Guangdong show that only 70 per cent of APC members achieved an increase in income during collectivisation (1955-6), and in some parts of the province up to 30 per cent of APC members experienced a fall in income (see Table 2.15). The data from other provinces are of uneven quality but they confirm that collectivisation may well have been accompanied over large parts of rural China in 1955-6 by a slight fall in average per capita consumption levels. They also suggest that the degree to which average rural income and consumption levels increased in this period were limited, once the initial rapid growth in the three or four years after 1949 had been achieved.

(b) Material consumption

National data on average per capita peasant consumption of most major items appears to show a firm upward trend in 1952-6 (Table 2.16). However, information from Guangdong and elsewhere in South and Central China suggests certain qualifications to this view. Firstly, grain consumption fluctuated considerably from year to year, and clearly if one looks to 1957 rather than 1956 one's conclusion about a firm upward trend in rural grain consumption would be less confident (Table 2.17). Secondly, as far as non-grain items of consumption are concerned the data (Tables 2.18-2.19) suggest rapid growth in the recovery period (1950-52), continued growth, but at a less rapid rate from 1952 to 1954, followed by only a small movement in average consumption levels in the mid-1950's. Indeed in 1957 consumption per capita of at least two important items, cotton cloth and pork were at a lower level than they had been four years previously.

Table 2.16 Per capita consumption of peasants, All China

<u>Item</u>	<u>Unit</u>	<u>1952</u>	<u>1956</u>	<u>% change 1952-6</u>
Grain (a)	jin	443.5	487.5	+9.9
Pork	jin	9.9	7.7	-22.2
Edible oil	jin	3.2	3.8	+18.8
Edible sugar	jin	1.0	1.7	+70.0
Cotton cloth (b)	chi	14.2	20.0	+40.8
Knitted goods (c)	jin	0.147	0.298	+102.7
Silk (d)	chi	6.70	15.76	+135.2
Thermos flasks	no.	36.09	142.25	+294.2
Soap (d)	cakes	670	1230	+83.6
Bicycles (d)	no.	0.36	2.99	+730.6

Sources: Xu Gang, 'Haven't the living standards of peasants and factory staff and employees over the whole country improved since Liberation?', DGB (Beijing) 9th August 1957.

Notes: (a) Excluding soya beans; yuán-liang.
 (b) Excluding native coarse cloth.
 (c) Woollen yarn.
 (d) Per 10,000 peasants.

Table 2.17 Average consumption of grain (unhusked, excluding seed and fodder) per peasant in Central and South Chinese provinces
(Unit: jin)

	1936/47	1950	1951	1952	1953	1954	1955	1956	1957
Guangxi	373				486.5	466	485	485	
Yunnan					522	537	544	592	
Hubei				473	480	383 ¹	562	589	
Hunan		433	441	493	513	494	516	519	501
Guangdong				439	409	(404) ³	443	524	500
				(501) ²	(460) ²				

Sources: Guangxi: Li Yi-Wei and Na Yi-Shi, 'The difference between the livelihood of workers and peasants really is not great', GXRB, 10th November 1957.
Yunnan: 'The evidence of history', YNRB, 21st August 1957.
Hubei: 'On the basis of an expansion of production, the living standards of the people in our province have magnificently improved, HBRB, 11th August 1957.
Guangdong: Table 2.6

- Notes:
- ¹ A year of exceptional natural disasters in Hubei.
 - ² On the assumption that sales to private markets stay in rural areas.
 - ³ May well be slightly too low: a firm figure for 1954/5 is 453 jin(+).

Table 2.18 Material consumption in Guangdong in the 1950s for whole population and for peasants (per capita)

<u>Item</u>	<u>Unit</u>	<u>Sector</u>	<u>Pre-Lib</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>
Edible oil	(1) jin	whole pop.	-	1.0(+)	2.69	3.2	3.19	3.3	4.1	4.31	-	-
		peasants	1	1	-	-	3	2.5	3.2	3.5	-	-
Cotton cloth	(2) chi	whole pop.	-	6.5	8.8	9.6	16.8	19.4	13.6	19.0	15.8	17.0
		peasants	3.5	-	6.9	-	15.8	-	14.4	18.5	-	-
Pork	(3) jin	whole pop.	-	-	11.4	15	15	-	-	-	12.8	15.7
		peasants	-	-	-	-	-	-	-	12	-	-
Sugar	(4) jin	whole pop.	-	-	-	4.0	5.45	6.4	7.1	8.13	8.2	8.7
		peasants	-	-	-	-	-	5.25	6.02	7.23	-	-
Aquatic products	(5) jin	whole pop.	-	-	-	-	15.49	-	-	-	28.39	-
Cigarettes	(5) no. (zhi)	whole pop.	-	-	-	-	252	-	-	-	309	-
Liquor	(5) jin	whole pop.	-	-	-	-	3.34	-	-	-	3.54	-

Sources: (1) Appendix B, Table 35

(2) Appendix B, Table 36

(3) Appendix B, Table 37

(4) Appendix B, Table 38

(5) Fan Wang-xian, 'Steadily transform the work of subsidiary food sales', NFRB, 18th August 1957

TABLE 2.19 Per capita consumption of the population of Jiangxi province

Item	Unit	1950	1951	1952	1953	1954	1955	1956
Salt	jin	10.14	10.67	11.59	12.47	12.95	13.05	13.07
Pork	jin	8.61	10.46	13.59	14.55	13.98	10.80	11.32
Cotton cloth	jin	6.50	9.90	11.63	17.51	17.88	17.94	26.41
Towels	no.	0.15	0.17	0.19	0.21	0.25	0.27	0.39
Soap	bars	1.07	1.16	1.23	1.34	1.57	1.75	2.09
Sweatshirts	no.	-	-	0.028	0.038	0.056	0.066	0.104
Cigarettes	no.(zhi)	77.0	85.0	105.0	140.0	155.0	157.0	164.0
Matches	boxes	5.6	6.1	6.9	7.5	8.4	8.8	9.9
Kerosene	jin	0.12	0.13	0.19	0.43	1.11	1.13	1.16
Rubber shoes	pairs	0.14	0.17	0.19	0.22	0.23	0.24	0.28
Sugar	jin	1.18	1.37	1.61	1.85	1.86	2.22	2.60
Socks	pairs	0.42	0.47	0.54	0.58	0.60	0.62	0.82

Source: 'Our province is the same as the whole of China in that the people's living standards are year after year rising magnificently', JXRB, 1st Jul. 1957.

(c) Non-material consumption

To obtain a complete picture of rural living standards it is important to attempt an understanding of developments in respect to non-material consumption. The major items of relevance here are education and health care. The author collected information on both aspects of rural living standards, but found that health care data were in such a form as to make a quantitative assessment extremely difficult: for example, information on the number of rural health centres is not very interesting unless one has some idea of their size and quality, and of the number of patients treated. While there are similar problems with data on education, they are not of such a serious order, and they permit meaningful conclusions to be drawn.

A quite rapid expansion of education occurred in the 1950's in Guangdong province. The total number of those in schools increased by 85 per cent from 1946 to 1957 and by 27 per cent from 1954 to 1957 (see Table 2.20). The proportion of total population in school rose from eight per cent in 1946 to almost twelve per cent in 1957, and of the school age population from 37 per cent to 54 per cent over the same years (see Table 2.21). The growth rate of secondary education was almost double that in primary education over the same period (see Table 2.20). However, in terms of absolute numbers and therefore probably also in terms of resource allocation, the increase in primary school students (1.7 million from 1946 to 1957) greatly outweighed that in secondary schools (0.3 million from 1946 to 1957) (see Appendix B, Table 41). Not only did formal education expand quickly, but especially during the collectivisation drive the government devoted particular attention to attempting to eradicate 'word-blindness' in the countryside.⁽¹³⁸⁾ The outcome of this campaign in which the newly-formed APC's played a leading role was that large numbers of peasants (and urban workers) attended spare-time literacy classes - in 1956 in Guangdong province in Gao Yao xian about one-quarter and on Hainan Island about 38 per cent of those of working age were attending such classes.⁽¹³⁹⁾

What was the implication of this educational expansion for rural dwellers? The growth of secondary schools was of little relevance as far as the peasants were concerned since these schools mostly were

Table 2.20 Growth of education in Guangdong province

Name of shi, S.D., xian, etc.	Year	Index of number of students in:-			% of students in:-	
		(i) All schools	(ii) Primary schools	(iii) Middle schools	(i) Primary schools	(ii) Middle schools
All Guangdong	1946	100	100	100	93.7	6.3
	1949	72	69	93	91.0	8.1
	1954	146	142	205	91.2	8.8
	1956	n.a.	183	n.a.	n.a.	n.a.
	1957	185	176	323	89.1	10.9
	1958	241	229	421	89.1	10.9
Hainan Island	1950	100	100	100	92.0	7.9
	1956	217	211	296	89.1	10.8
Gao Yao xian (p) (p)	1955	100	100	100	94.6	5.4
	1956	121	120	129	94.3	5.8
Guang Ning xian	1950	100	100	100	91.7	9.2
	1956	527	549	309	94.7	5.3
Lian Nan xian	1953	n.a.	100	n.a.	n.a.	n.a.
	1956	n.a.	386	n.a.	n.a.	n.a.
Lu Feng xian	1955	100	100	100	94.4	5.7
	1956	132	129	184	92.1	7.9
Mei xian	1942	99	n.a.	n.a.	n.a.	n.a.
	1948	n.a.	n.a.	92	n.a.	n.a.
	1949	n.a.	78	n.a.	n.a.	n.a.
	1950	100	100	100	84.4	15.7
	1956	138	118	247	71.8	28.2
Pu Ning xian	1949	100	100	100	93.3	6.7
	1957	267	248	518	87.1	12.9
Qu Jiang xian (p) (p)	1954	100	100	100	97.8	2.2
	1956	151	150	255	96.4	3.6
Ya xian (p) (p) (p) (p)	Pre-'49	n.a.	100	n.a.	n.a.	n.a.
	1949	n.a.	n.a.	100	n.a.	n.a.
	1956	n.a.	n.a.	186	n.a.	7.3
	1957	n.a.	319	n.a.	92.6	n.a.
Li-Miao	1955	100	100	100	95.6	4.4
Autonomous Zhou	1956	137	136	159	94.9	5.1

Source: Appendix B, Table 41.

Notes: (p) = peasants only

Table 2.21 Proportion of population in school in Guangdong province
(%) (Primary plus middle schools)

Name of shi, S.D., xian, etc.	Year	% of total population	% of school-age population ^(d)
All Guangdong	1946	8.1	37.0
	1949	5.5	24.8
	1954	10.0	45.5
	1957	11.9	54.2
	1958	15.2	69.1
Gao Yao xian (p) (p)	1955	8.0	40.0
	1956	9.5	43.0
Guang Ning xian	1950	2.6	12.0
	1956	11.4	51.8
Lian Nan xian (pr) (pr)	1953	2.2	10.0
	1956	6.9	31.6

Source: Appendix B, Table 41

Notes: (p) = peasants only.

(pr) = primary school only.

(d) = derived. The author has assumed that the school-age population (i.e. those between the ages of 6 and 15) was roughly 22 per cent of total population in the 1940's and 1950's, which is the approximate figure given for All China in 1953 by Aird (J.S. Aird, 'Population Growth in the People's Republic of China', in U.S. Congress, Joint Economic Committee, Chinese Economy Post-Mao, U.S. Government Printing Office: Washington D.C., 1978, pp. 469 and 472).

located in urban areas, there were virtually no secondary schools in the countryside until 1958.⁽¹⁴⁰⁾ While it is likely that the greater part of the total number of primary schools were located away from the main urban centres,⁽¹⁴¹⁾ it should be remembered that Guangdong had more than 3,000 market towns of different sizes in the mid-1950's,⁽¹⁴²⁾ and it is likely that a large number of primary schools were located in these small towns. It is widely recognised that the distance between home and school was a major problem in the development of rural education in the 1950's,⁽¹⁴³⁾ and a major strand of educational policy during the Cultural Revolution was to try to overcome this by 'taking the schools to the children rather than vice versa', even though this meant the proliferation of many small schools.⁽¹⁴⁴⁾ Accordingly, while only one half of the school-age population was registered as attending school by 1957 (see Table 2.21) it is likely that these were disproportionately accounted for by peasant children in and around urban areas of different sizes. Moreover, official enrollments are only part of the educational story. Attendance at school was not compulsory,⁽¹⁴⁵⁾ and the relationship between personal income and length of education in all likelihood was weak in the relatively unscientific conditions of Chinese agriculture in the 1950's. Indeed, there might well have been substantial opportunity costs for the peasant family that sent its children to school.⁽¹⁴⁶⁾ Consequently, many of those registered probably attended only intermittently, or perhaps gave up before attaining even basic literacy.⁽¹⁴⁷⁾

It appears that at least until the Great Leap Forward of 1958 and frequently until the Cultural Revolution, the main reliance in expanding rural primary-level education was placed upon the state. Most teachers' salaries for example, seem to have been paid by the state,⁽¹⁴⁸⁾ and the APC resources were just too limited to take the main burden of educational responsibility on their shoulders. Indeed APC regulations only required that the collectives should 'organise members to raise their educational level',⁽¹⁴⁹⁾ and not specifically to set up schools. It does not appear to have been until the mid-1960's that major efforts were made to set up a widespread network of small rural schools on the basis of local resources. While many APC's did set up and run schools (usually with state assistance) in the mid-1950's,⁽¹⁵⁰⁾ it appears that their main educational contribution may well have been in the organi-

sation of the 'abolish illiteracy' movement.

Conclusion

At the basis of a consideration of rural living standards lies the development of rural production. It has been shown that over the whole 1952 to 1957 farm output in Guangdong grew significantly beyond the pre-1949 peak, exceeding it in real terms by 30 to 40 per cent by 1957. Over the same period rural population was growing at over two per cent per annum, but this still left room for a considerable increase in per capita rural output over the whole six year period. Behind this growth lay a considerable expansion of total sown area, made possible in part by the increase in the number of rural workers and in part by an increase in the labour input per worker, 'mobilised' by the new post-revolutionary rural structure. However, the growth of physical production appears to have been faster in the early years (1952-4) after 'recovery' than in the later years (1954-7). This seems to be explained only partially by the weather. Of central importance in the long-run problems of expansion of modern Chinese agriculture have been natural constraints, in particular those associated with the rigidity of the 'arable frontier'. In this respect Guangdong is no exception and the farm sector certainly ran up against this during the First Five Year Plan. It appears also to have encountered limitations to the expansion of the sown area under 'traditional' techniques since a rapid expansion of sown area was associated with a decline in yields per unit of sown area from 1952 to 1957 in Guangdong. Moreover, even with the assistance of an increased labour force and extensive application of modern technique, the total sown area had expanded only by a small degree by the late 1970's. Institutional factors also played a role. The excessive extraction of grain to feed the rapidly-growing urban population and the nature of the collectivisation process itself had an adverse effect between 1954 and 1956 on the growth of non-grain production, of which pig production was merely the leading example. Despite the fact that the growth of the state purchase price for grain in Guangdong was rather more rapid than that of other farm products its price per unit still was below that of the other products. Consequently, the stress placed upon it tended to slow down the overall growth in the total value of farm output relative to the likely growth that would have occurred if producers had been able to allocate resources freely at the prevailing price structure.

Prior to 1949 a sizeable portion of farm output was not retained by the direct producers but was taken by landlords, money lenders, and others. In the absence of government action, the abolition of pre-1949 landlord/tenant relations combined with the increase in rural output per capita from 1952 to 1957 could have produced a quite rapid growth of rural real income per capita; given the low absolute levels of living in the countryside it is likely that the increase in income would to a considerable extent have been used for consumption. Such an outcome was prevented by the operation of the following factors. In the first place an agricultural tax was introduced that took a high proportion of rural income by the standards of most LDC's. Only by the end of the period had flows of state funds into the countryside begun to exceed outflows attained via the agricultural tax. Furthermore, compared to the 1930's the terms of trade had moved noticeably against the farmer, so that a unit of agricultural output bought less industrial commodities than in the 1930's throughout this period. Moreover, after an initial improvement up to 1954, the terms of trade remained static during collectivisation, and did not improve again for farmers until the peasant outcries heard during the 'Hundred Flowers' in 1957. Compounding these processes was the probable increase in the rate of rural investment during collectivisation in 1955-6. In the early years when output per capita in real terms was growing more rapidly extraction from the rural areas was most severe, slowing down the growth of rural income. In the mid-1950's the rate of extraction from the farm sector declined, but alongside this went a downturn in the performance of output, and an increase in the rate of accumulation within the farm sector. As a consequence of these factors the growth of average rural real per capita disposable income was not rapid over the whole period, and a major part of the increase seems to have been achieved in the years prior to collectivisation; there is little evidence of much change in the mid-1950's.

To a considerable degree the growth of average rural consumption levels reflects these trends. In other words average per capita consumption of most major items was greater in 1957 than in 1952, with the major part of the increase occurring in the early years (1952-4) and evidence of stagnation or small changes thereafter. In an effort to extract grain for urban workers there is little doubt that average rural personal consumption of grain actually fell in the year or so

following the introduction of compulsory purchase quotas (November 1953). It is against that background that one has to view the widespread complaints that were voiced in 1957 about the living standards in the countryside. In addition, the problem was aggravated greatly by the gap in living standards between town and countryside that increased the sense of discontent felt by the peasantry, and produced a potentially explosive political situation at the end of the First Five Year Plan.

Chapter 3 Inequality of Income Between Town and Countryside

Introduction

(a) Measurement problems.

Comparison of living standards in town and countryside in any poor economy is notoriously difficult due to the contrasting economic structures in the two sectors. In section two of this chapter actual levels of consumption of goods and services are examined. Here the problems are mainly those of availability and accuracy of data rather than of a conceptual kind. More fraught with conceptual difficulties is the question looked at in Section 1, i.e. comparing levels of income and expenditure in terms of monetary values. If one wishes to examine comparative income levels in terms of the living standard (i.e. consumption of goods and services per person) that could be obtained with that income, then a careful specification is needed of the concepts used.

In the first place the monetary value of personal disposable income must cover all sources of income, including premia payments for urban workers and less easily measurable forms of rural income (e.g. private sideline production in China's APC's). A full estimate of relative income levels must include also any elements of social income (e.g. free or subsidised health and educational facilities). Contrasting institutional arrangements may lead to different savings rates, so that the proportion of personal disposable income used for consumption may be different in the two sectors. To obtain a truly comparable picture of income levels it is important that the self-produced, self-consumed portion of rural income be accurately valued. Often this is done at local prices, but urban prices frequently are higher than rural prices, so that an accurate picture requires revaluation of this portion of peasant income at the prices paid by urban workers. Moreover, special additional expenditures often are incurred through urban living (e.g. transport costs, special clothing for factory work) which may make little or no addition to the living standard of the urban worker. To the degree that this is true a deduction should be made from the income figure for the urban worker. Finally, it is important to convert all data to per capita rather than 'per household' or 'per employee' terms since household size and worker/dependent ratios frequently are not identical in the two sectors.

(b) Significance of urban-rural income differentials.

The relationship between average income levels in town and countryside is of considerable importance in the process of economic development in a poor country. In the first place it is interesting intrinsically as a major dimension of inequality against which intra-sectoral differentiation has to be set. Secondly, it is important in relation to the maintenance of political stability. There was little public discussion in China about the issue between 1949 and 1957. However in, the summer of 1957 there was a relaxation of political control and on many important issues criticism of the government was widespread. The question of the alleged gap in living standards between town and countryside was important among these. The complaints heard during the 'Hundred Flowers' were that the level of monetary income of urban workers was too high relative to that of the peasants, that the terms of trade between town and countryside were working to the disadvantage of the peasants, that working conditions were better in urban areas, that the supply of rationed goods such as cotton cloth, edible oil, and pork was higher in the towns, and that health and welfare facilities were superior to those in the countryside.⁽¹⁾ It was acknowledged that in the villages during the 'Hundred Flowers' one could hear 'everywhere' that the living standard of the peasants was too low and that of the workers was too high.⁽²⁾ The period of relative freedom to air such grievances was short; by the autumn of 1957 there had taken place a return to much stricter control over public statements on such contentious issues. However, the brief interlude of the 'Hundred Flowers' demonstrated that beneath the surface lay considerable rural discontent on the question of the relative income levels in town and countryside; this presented a serious threat to the political stability of the region.⁽³⁾

A third factor of importance is the influence of relative income levels in town and countryside upon labour supply between the two sectors. Throughout the 1950's in Guangdong province the inflow of rural dwellers to the cities was a serious problem, and the link between this and higher living standards in the cities was admitted widely: 'When the peasants see the workers well-clothed and afforded with electric light, running water, and relatively more culture and amusements, they flock blindly into the cities seeking work.'⁽⁴⁾ Guangzhou increased its population by around 630,000 (or around 52 per cent) from 1950 to 1957, out of which only two-thirds came from natural increase; about one-tenth of the inflow was

from returning overseas Chinese, and about one-quarter was due to inflows from the rural areas (see Appendix C, Table 18). Stringent rules were introduced in 1955 to attempt to control the 'blind inflow' of peasants. For example, all citizens wishing to move to the urban areas were required to have certificates of employment or acceptance from a school, or an official document from an urban agency for the administration of population registers, approving such a move before they were allowed legally to reside in the city.⁽⁵⁾ Further, many of those who had entered the towns were sent back to the countryside.⁽⁶⁾ However, the capacity of rural emigrants to evade state controls was great,⁽⁷⁾ and it was not until the 1960's that the controls were sufficiently tight to check seriously migration into the cities.⁽⁸⁾ The climax to the movement out of the countryside was not to be reached until 1958 when it was reported that in Guangdong alone over one million people moved into the urban areas.⁽⁹⁾ From 1949 to 1957 'push' factors, in the shape of rural institutional change, as well as 'pull' factors, in the shape of relative income levels, help to explain the movement out of the countryside; clearly, during the Great Leap Forward the disruption caused by the formation of the rural people's communes intensified the relative importance of the 'push' element.⁽¹⁰⁾

Such an inflow of population caused serious problems in the urban areas of Guangdong in the 1950's. Despite rapid growth of industrial output during the First Five Year Plan, the high degree of capital intensity limited the rate of expansion of employment in most Chinese cities. Guangzhou, the capital of Guangdong province, was not a 'key-point construction city' under the plan;⁽¹¹⁾ consequently, it stood even less chance than other cities of absorbing the labour inflow. Moreover, it had the added problem of needing to absorb the returning overseas Chinese, of whom 63,000 came back to Guangzhou between 1950 and 1957,⁽¹²⁾ and, of course, in common with other Chinese cities at that period the natural rate of population growth was rapid, possibly as high as four per cent per annum (Appendix C, Table 18). While a large number of those who came to the cities did find some kind of work, often it was only temporary and with a low income compared to that of the permanent work force.⁽¹³⁾ In China as in any country where welfare benefits are low, the pressured to find some kind of work, however poor the income, is strong, so that it would be surprising to find high levels of long-term unemployment. It was, however, admitted that in 1957 there were 30,000 workers unemployed in Guangzhou,⁽¹⁴⁾ amounting to roughly three

per cent of the population of working age.⁽¹⁵⁾ Many of those out of work or in low paid temporary employment were supported by relations, but the state did provide relief to those in desperate circumstances. It was said that in Guangzhou between 1954 and 1956 an average of 3.75 m. yuan each year was paid out in 'distress relief funds',⁽¹⁶⁾ which amounted to eight per cent of total provincial revenue.⁽¹⁷⁾ It was estimated that an additional 60 m. jin of grain was needed each year in Guangzhou in the mid-1950's to feed the immigrants from the countryside.⁽¹⁸⁾ In addition to these direct pressures on the state's resources, the inflow also added to the pressure on social overhead capital, causing additional problems of overcrowding for public transport and housing.

The question of relative living standards in town and country, then, underlay some important issues of political economy for the post-revolutionary government in China. This chapter has a three-fold objective. The first is to attempt, on the basis mainly of extensive data published at the end of the First Five Year Plan, to assess the dimensions of the gap in the mid-1950's. The second is to assess the evidence on the movements of relative income levels. The third is to analyse the approach adopted by the government to this question: was there indeed anything distinctive about the policies pursued, and did the institutional structure permit a different outcome from that in the proto-capitalist LDC's?

1. The dimension of the gap in income levels between town and countryside in the mid-1950's.

-- Data on income levels in the rural sector are usually in respect to 'peasants' (nong-min), meaning those working in agriculture (nong-ye), which embraces various component parts, such as crop-growing, animal husbandry, forestry, sideline production, and fishing (see Table 2.2). Data on the urban sector generally are in respect to 'staff and workers' (zhi-gong):

(this) is a basic manpower term and it refers to all persons employed in public administration, economic enterprises, education, health, and mass organisations, in rural and urban areas, who have a regular wage and salary. It therefore excludes capitalists, cooperative members and others in occupations where income is variable.⁽¹⁹⁾

'Workers and staff' are estimated to have comprised 43.0 per cent of all non-agricultural employment in 1952, rising to 61.8 per cent in 1957.⁽²⁰⁾ Thus, the term excludes a portion of urban workers and includes some non-urban workers, such as state-employed teachers and health workers in the countryside.

While it is interesting to examine the dimensions of 'average' levels of income in town and countryside it would be misleading if reference was not made to income variations within each sector, which may be of particular relevance to the nature of the labour supply curve from rural to urban areas. In the countryside considerable inequalities continued to exist throughout the period under scrutiny, both within each village and, on a more extensive scale between different parts of the countryside. These will be examined in detail in Chapters 4-5. In the urban areas, substantial inequalities existed in incomes even among regular wage-earners. In Guangzhou, for example, in the mid-1950's average basic wages in the match-making sector were less than half those in the highest income sector, machine-making (see Table 3.1). Within enterprises ordinary production workers were remunerated in relation to their position on an eight grade scale, with wage differentials in the mid-1950's typically in the order of 1:3 or 1:4 between the least and the most skilled.⁽²¹⁾ Managerial and technical personnel were covered by a separate grading system; their average earnings were somewhat higher than those of ordinary production line workers. For example, in 1955 the average earnings of low-grade workers (grades 1-2) in China were 166 yuan per capita compared to 183 yuan for staff and workers as a whole,⁽²²⁾ and in Henan province in 1956 the average per capita income of all manual industrial workers (gong-ren) was only 123 yuan compared to 153 yuan for staff and workers as a whole.⁽²³⁾ Generally-speaking the differentials in wages between those at the top and bottom of enterprises in the mid-1950's was in the order of 1:4 to 1:7.⁽²⁴⁾ Yet another band of wage and salary grades (of which there were thirty main ones in 1955) covered those working in the government bureaucracy, with the span between top and bottom at the provincial and municipal level reportedly in the order of 1:19.⁽²⁵⁾ In a city such as Guangzhou, then, in the mid-1950's one could find a considerable range of incomes among staff and workers, ranging from ordinary clerks earning under forty yuan, through to heads of government departments earning over 200 yuan, and even higher for the governor of the province (see Table 3.2).

Bearing in mind that only about three-fifths or less of non-agricultural workers in the mid-1950's were included in the category 'staff and workers' it is important to enquire about likely earnings outside this sector. Large state enterprises in the 1950's frequently exceeded their planned allocation of labour by the hiring of temporary workers. Such workers received wages that were less predictable than those of ordinary workers; they were more vulnerable to downward pressure when the level of activity was low, and did not receive welfare benefits.⁽²⁶⁾ Despite being in a disadvantageous position the earnings of such workers were said to be generally above those of the peasants, which apparently was a cause of considerable peasant dissatisfaction.⁽²⁷⁾

A second principal category of urban employment outside the regular state sector was the handicraft co-operatives. At the end of the First Five Year Plan, the handicraft sector in Guangdong still was producing about one-half of the total value of provincial industrial output.⁽²⁸⁾ By definition the level of earnings of workers in handicraft co-ops could fluctuate both annually and seasonally.⁽²⁹⁾ Within the handicraft sector considerable variations in earnings were possible. In Fang Cheng town, for example, a survey of eight different handicraft co-ops in 1957 showed that per capita earnings in the highest paid co-op were over two and a half times those in the lowest paid (see Table 3.3). Generally-speaking the level of earnings in the handicraft sector appear to have been below those in the regular wage sector of industry, with the highest earning handicraft sectors roughly corresponding to the lower income sectors for state industries. To a considerable degree this may have been a reflection of the higher costs and lower profits of the handicraft sector. Since the Cultural Revolution the issue again has come to the fore, and it has been suggested that the lower earnings in the co-operative handicraft sector have been caused by the excessive demands placed upon it to hand over profits to the state, and even by restrictions on the permitted remuneration levels which have sometimes been said to have been forcibly maintained at levels below those in state owned enterprises in the same trade and occupation.⁽³⁰⁾ The degree to which workers in urban co-ops have been treated as second-class workers has been reflected also in their limited access to labour insurance and other fringe benefits, and even, in some places, by refusal to allow them to join trade unions.⁽³¹⁾

Full-time state employees in the rural area, such as administrative

cadres, teachers, and health workers, were paid according to the same criteria as state employees in the urban areas. Some moderation was made to their incomes in accordance with the local price level⁽³²⁾ but the income levels could still be substantially above those of the local peasantry. For example, in Jiangsu province in 1956 basic level cadres in the supply and marketing co-ops in the prosperous Tai Hu district were receiving an average monthly income of 13.22 yuan per capita: this was only thirty per cent above the average net per capita income of the local peasants (10.13 yuan).⁽³³⁾ However, the income of the same cadres in the poorer Yu Huai district of Jiangsu was 11.65 yuan, more than double the average net per capita income of the local peasants (5.55 yuan).⁽³⁴⁾ Not only were the incomes of rural state employees generally higher than those of the surrounding peasants, but due to their relatively high skill level frequently were above the average for all state employees. In Guangdong, for example, after the 1956 wage reform the average monthly income of middle-school teachers was 25 per cent higher than that of the average for all staff and workers.⁽³⁵⁾

Bearing in mind the preceding paragraphs, which suggest strongly the need for qualification to a simplistic view of the 'urban-rural' gap in incomes, the remainder of this section will attempt to look at the discussions of the gap in 'average' income levels between town and countryside in the mid-1950's. Much of the information relating to this issue was published in 1957, frequently in the autumn of that year during the 'anti-rightist' campaign. While the political atmosphere in which it was published might incline one to caution in its use, it should be remembered that the collection of these data usually occurred in the mid-1950's when the Chinese statistical apparatus was operating relatively effectively in comparison to the immediate post-revolutionary period and especially compared to the period of the Great Leap Forward and Cultural Revolution. While the data are by no means wholly satisfactory, they enable a more accurate assessment to be made of the real nature of urban-rural differentials than is possible for most LDC's to-day.⁽³⁶⁾ Indeed the compilers and presenters of this information show an awareness of most of the relevant statistical issues involved in making serious comparisons of real income levels in sectors with very different forms of economic activity.⁽³⁷⁾

Table 3.1 Inter-industry structure of wages in Guangzhou, 1956†
(basic wages only) (Unit: yuan per month)

Sector	Wages per worker	Index of wages per worker
Aggregate	51.51	70.8
Machine-making*	72.76	100.0
Textiles*	42.01	57.7
Food*	56.69	77.9
Rice-husking	71.25	97.9
Tobacco	51.62	70.9
Brewing	59.28	81.9
Light industry*	55.55	76.3
Rubber	59.68	82.0
Matches	33.20	45.6
Soap	63.18	86.8
Glass	58.63	80.6
Leather...	68.94	94.7

Source: Materials Department of the Guang-zhou Ri-bao
 'A comparison of to-day with twenty years ago',
 GZRB, 13th October 1957.

Notes: † From a survey of 8,447 workers in four industrial
 departments: machine-making, textiles, food, light
 industry.

* 'Industries' (gong-ye).

Table 3.2 Income differentials between staff and workers of different levels in Guangdong, mid-1950's (basic earnings only)

<u>Job description</u>	<u>Monthly earnings (yuan)</u>
Governor of province ¹	310
Head of a government bureau ¹	200 - 210
Head of a government department ¹	160 - 174
Head of a government section ¹	128 - 130
Hospital doctor ²	114
Ordinary industrial worker ²	44
Clerks in government office (lowest grade) ¹	35

- Sources: (1) 'Ranks and Wages', China News Analysis, No. 966, 12th July 1974, pp. 4-5, quoted in Prybla, The Chinese Economy, pp. 121-2.
- (2) Rao Wen, 'Why is there a difference in the income accruing to simple work and complicated work, mental labour and manual labour?', NFRB, 22nd October 1957.

- Notes: 1 All these apply to earnings after the 1956 wage reform, and are for Guangzhou only.
- 2 The figure for ordinary industrial workers is for 1956 and applies to those in regular employment. The figure for hospital doctors is for the first six months of 1957.

Table 3.3 Monthly income per worker and per capita in handicraft industries in Guangdong, in the first six months of 1957
(Unit: yuan per month)

<u>Area/trade</u>	<u>Income per month:-</u>	
	<u>(i) per worker</u>	<u>(ii) per capita</u>
Fo Shan S.D.*	31	8
Fo Shan municipality:- ¹		
(i) Hardware co-op	44	n.a.
(ii) Wooden implement co-op	43	n.a.
(iii) Bamboo implement co-op	27	n.a.
Fang Cheng xian, Fang Cheng town:- ²		
(i) Agricultural implement co-op	19.5	9.64
(ii) Furniture-makers' co-op	19.5	7.7
(iii) Shoemakers	n.a.	6.03
(iv) Cloth-making co-op	n.a.	5.00
(v) Pastry-making trade	n.a.	12.80
(vi) Distilling co-op	n.a.	7.12
(vii) Soya product co-op	n.a.	5.2
(viii) Food and drink co-op store	n.a.	8.8

Source: ¹ Hua Wen and Yang Meng, 'A discussion about the living standards of the handicraft industry workers and the peasants', NFRB, 27th October 1957.

² 'Consider carefully the true facts ...'

Notes: * A survey of sixteen counties and municipalities.

(a) The urban-rural gap measured in financial terms.

Unquestionably the earnings per worker in regular state employment were considerably higher than the average level in the countryside. In Guangdong province in 1956, for example, the average monthly wage of staff and workers in state- and locally managed industrial and mining enterprises came to 49 yuan prior to the wage reform and 56 yuan after it.⁽³⁸⁾ Average net earnings per worker ('full labour power') from collective sources in the APC's in Guangdong in 1956 were only 11.6 yuan per month.⁽³⁹⁾ However, to produce a meaningful figure of the comparative levels of income in financial terms certain adjustments ought to be made to these figures. In addition to their basic wages staff and workers received also certain premium payments, notably bonuses related to the fulfillment of the enterprise plan, but including also such 'perks' as the provision of feasts and small awards in goods, especially in the case of individual rewards.⁽⁴⁰⁾ Furthermore, a large number of staff and workers were covered by labour insurance and state payment of medical expenses.⁽⁴¹⁾ It should be noted though that such coverage was by no means universal even among staff and workers. In 1957, for example, a maximum of about 40 per cent of staff and workers in Guangdong province were covered by labour insurance and free public medical expenses;⁽⁴²⁾ of course the proportion of urban workers as a whole covered by such schemes was considerably less.⁽⁴³⁾ Further additions to the 'social wage' came in the form of enterprise payments for women taking maternity leave⁽⁴⁴⁾ and state payment of pensions to retired workers.⁽⁴⁵⁾ Moreover there was extensive expenditure in the 1950's on collective welfare facilities, such as canteens, clubs,⁽⁴⁶⁾ nurseries, breast-feeding rooms and womens health centres.⁽⁴⁷⁾ What then was the impact of these outlays on the real income of staff and workers? A detailed survey in Guangzhou in 1956 found that the average basic wage of industrial workers came to 51.50 yuan per month, and that 'extra-wage' income came to 6 yuan, or about ten per cent of total income.⁽⁴⁸⁾ Total welfare benefits and subsidies for staff and workers in Guangdong between 1952 and 1957 probably added nearly 20 per cent to the income of staff and workers over and above their basic wage payments.⁽⁴⁹⁾ Taken together then, various premium payments and welfare expenditures added considerably to

the income of staff and workers over and above the reported figure on basic wages, perhaps by as much as thirty per cent.

Qualifications have to be made also in respect to the reported income of peasants. In addition to collective remuneration in cash and in kind peasants in APC's carried out private sideline production of various types from which income was earned. Its relative and absolute importance varied considerably from area to area. A province-wide survey in Guangdong of 609 APC's in 1956 showed that out of total household net income the private sideline sector provided about 13 per cent.⁽⁵⁰⁾ However, it should be noted that the private sector, as has already been pointed out (see Chapter 2), tended to be 'squeezed' relative to the collective sector during the first year of fully collective agriculture. In 1957 the proportion would probably have been larger. Moreover, one would expect that there would be a strong tendency towards under-reporting of private income, especially during this period when private economic activity often was looked upon with disfavour by local party cadres. Furthermore other survey data indicate that the role of private sideline production even at this stage might have been larger than the preceding data suggest. For example, a national survey of 228 APC's showed that the proportion of private sideline income in APC members' total net income was significantly higher in South China (which includes Guangdong province) than in other parts of the country, its share rising from 27 per cent in 1956 to 34 per cent in 1957⁽⁵¹⁾:-

<u>Area</u>	<u>Year</u>	<u>Proportion of total household net income (%)</u>
North West and Inner Mongolia	1956	13.7
	1957	18.6
North East China	1956	17.4
	1957	25.2
China Plain	1956	18.4
	1957	20.1
South China	1956	27.1
	1957	33.6

These data suggest strongly that the private sector in Guangdong after collectivisation was producing considerably more than thirteen per cent of total peasant net income.

A serious problem in producing a meaningful comparison of

income levels in town and countryside in China in the mid-1950's is the markedly different mode of remuneration that prevailed in the two sectors. Much the greater part of the income of staff and workers was in monetary form, in the shape of basic wages plus bonus payments. Peasants, however, received much of their income in the form of self-produced, self-consumed goods that never entered the market; a national estimate for the mid-1950's put the figure for such goods at sixty per cent of the value of total peasant consumption.⁽⁵²⁾ If the price at which the self-produced, self-consumed items were valued for the purposes of collection of data on incomes differed from the average level of urban prices for the same goods, then a misleading picture would be presented of relative income levels. Most surveys the author has encountered for the 1950's calculate the value of the self-produced, self-consumed items at local prices (either government purchase price or local retail price where no state purchase price exists). Generally-speaking the price of manufactured products was about the same in urban and rural areas, but the price of agricultural products usually was much lower in the villages (see Table 3.4 and Appendix C Tables Z - 4). Calculations of peasant incomes with the self-consumed, self-produced portion re-valued at urban prices clearly would tend to reduce the gap in real income levels. For example, the Statistical Bureau in Jilin province found that it increased average rural incomes by no less than 25 per cent, with average per capita peasant income in 1956 rising from 76 to 95 yuan when thus re-calculated.⁽⁵³⁾

Apart from these considerations no further significant adjustment needs to be made to peasant income. No bonus payments were made by the state to the peasants for overfulfillment of targets and the state did not operate a system of labour insurance for co-op members. Moreover, the state did not provide a retirement pension for peasants once they had passed a certain age. Certain minor adjustments might be made on account of collectively-built welfare facilities that added to the peasants' real income to the degree that charges did not fully cover the costs charged, and on account also of the subsidy element in state payments to rural teachers and health workers. However, generally-speaking the countryside was characterised still by relative backwardness in respect to welfare provisions; indeed this constituted an important basis of discontent among the peasantry and it was given ample voice in the 'Hundred Flowers' movement in 1957.

Income per worker, however, is not necessarily an accurate guide to relative income per capita when there is a big difference in the economic

structure of the sectors one is examining. Extensive data were presented in the discussion about the urban-rural income differential which indicated that each urban worker had to support a larger number of dependents than each rural worker. All-China data showed that the worker-dependent ratio for staff and workers in 1956 averaged 1:2.26 (i.e. each of the staff and workers had to support on average themselves and 2.26 others), while for peasants the ratio was only 1:1 (see Tables 3.5 and 3.6). Scattered data from different provinces confirm this view, while detailed data from various parts of the Guangdong countryside show worker-dependent ratios for peasants that generally were lower than those in the non-agricultural sector (see Tables 3.5 and 3.6).

Why should there have been such a difference in rural and urban worker-dependent ratios? The answer does not appear to be the most obvious one, namely that rural households on average were smaller than urban households (see Tables 3.5 and 3.6); indeed as one might expect,⁽⁵⁴⁾ the evidence tentatively suggests that rural households tended to be slightly larger than urban households. Moreover, there is no evidence that the difference was due to contrasting age structures. The answer therefore appears to reside simply in the greater number of people employed per family unit in the countryside compared to the towns. In turn this may have been due to the greater opportunity there for productive labour by marginal workers such as the old, the very young, part-time female labour, and the semi-invalid.⁽⁵⁵⁾ The APC had to support all its members whatever the work capacity of each person, so that as long as a worker made some contribution to net output it was worthwhile providing employment for that person. The urban enterprise may well have operated in a fashion closer to the 'textbook' enterprise being less prepared to employ workers whose net contribution, though positive, was less than the wage paid to them. Other factors that may help to explain this are the greater availability of education in the urban areas, which tended to keep a higher proportion of urban youth out of the workforce, and the greater availability in the rural areas of tasks suitable for 'semi-labour powers'. The greater suitability of rural tasks would be due to their being available in or close to the home (notably in domestic sideline production), their more intermittent character (e.g. spinning and weaving in winter, providing extra labour at peak season), or their less arduous nature (e.g. shepherding farm animals and 'harvesting' wild plants, such as mushrooms or medicinal herbs).

Table 3.4 Differential in retail prices between rural and urban areas
in Guangxi province, 1956

<u>Item</u>	<u>Unit</u>	<u>Price (yuan) per unit in:</u>		
		<u>Villages</u>	<u>Nanning municipality</u>	<u>Nanning as % of villages</u>
Foodgrains	-	-	-	148.2
of which:				
Rice (dao-gu)	jin	0.0594	0.0732	123.2
Vegetables	jin	0.0304	0.0686	225.7
Vegetable oil	jin	0.566	0.650	114.8
Animal oil	jin	0.700	0.765	109.3
Pork	jin	0.600	0.705	117.5
Other meats	jin	0.34	0.53	155.9
Fish	jin	0.35	0.46	131.4
Eggs	each	0.04	0.06	150.0
Salt	jin	0.18	0.18	100.0
Sugar	jin	0.348	0.376	108.0
Cigarettes	boxes(he)	0.18	0.17	94.4
Alcoholic drink	jin	0.54	0.59	109.3
Tea	liang	0.025	0.060	240.0
Clothing	-	-	-	98.4
Fuel	dan	0.67	1.69	252.2

Source: Li Yi-wei and Na Yi-shi, 'The difference between the livelihoods of workers and peasants really is not great', GXRБ, 10th November 1957.

Notes: The rural figures are from a survey of 373 peasant households. Guangxi province is adjacent to Guangdong.

Table 3.5 Worker-dependent ratio of staff and workers in different parts of China, 1956

<u>Area</u>	<u>Ave. household size</u>	<u>Ave. no. of workers per household</u>	<u>Ave. no. of dependents per household</u>	<u>Worker- dependent ratio (f)</u>
All China (1)(a)	4.37	1.34	3.03	1:2.26
Guangdong province:				
1. Guangzhou (2)(b)	3.98	1.43	2.55	1:1.78
2. Guangzhou (3)(c)	-	-	-	1:3.0 (approx)
3. Zhan Jiang (4)(d)	-	-	-	1:2.9
Guangxi province (5)(e)	-	-	-	1:2.72
Zhejiang province (6)	4.1	1.3	2.8	1:2.15

- Sources: (1) Henan Statistical Bureau, 'The living standard of workers and peasants ...'
 (2) Materials Department of the Guangzhou Ribao, 'A comparison of to-day with twenty years ago', GZRB, 13th October 1957.
 (3) Fang Lie and Huang Hua-qiang, 'A discussion ...'
 (4) 'Is the difference ...'
 (5) Li Yi-Wei and Na Yi-shi, 'The difference between the livelihoods ...'
 (6) 'A survey of the living standard of the peasants in Zhejiang', ZJRB, 6th April 1957

- Notes: (a) From a national survey carried out by the State Statistical Bureau among 4503 staff and workers.
 (b) A survey of 420 households of staff and workers.
 (c) From the Guangzhou Statistical Department for the third quarter of 1956: covers staff and workers in the seven department of industry, capital construction, communication, posts and telegraph, state-run trading, education and health.
 (d) A survey of 2125 households of staff and workers.
 (e) From Guangxi Provincial Statistical Bureau on Guangxi's 443,053 staff and workers.
 (f) "Pure" dependents (i.e. excluding the workers themselves).

The evidence available (see Table 3.7) unsurprisingly shows that the gap in income per capita between peasants and 'staff and workers' was less than the gap in earnings per worker. Most of the data show the peasants' income per capita as between forty and sixty per cent of the figure for staff and workers. It should be noted, however, that these data are not presented in a uniform fashion. For example, the per capita figure for 'staff and workers' often is crudely derived in the Chinese data by dividing average earnings by average household size, which tends to underestimate actual per capita income, since most families had more than one income-earner. The alternative procedure used to derive per capita figures from earnings data for staff and workers, which was to calculate total household income on the basis of data on the average number of earners per household, tends to slightly overestimate actual per capita income since the additional family income-earners frequently would have been in lower-paid employment outside the state sector. Sometimes direct household survey data is used, which is more accurate in respect to the above problems, but more limited in that a relatively small number of households can be surveyed in detail in this fashion. Moreover, the most important series in this table (State Statistical Bureau, 'How can it be said ...') does not make entirely clear the basis on which the figure for peasant income was calculated. It appears likely that the figure includes the value of private sideline production, but even allowing for this the figures seem to be generally rather high, both in relation to data on consumption which will be examined later in this Chapter and to alternative data on income. For example, this source suggests that the value of peasant consumption in 1956 averaged 102 yuan per capita whereas alternative sources suggest a figure of ^{about} 80 yuan (see Table 3.16-18). Again, in Jiangsu province this source suggests average peasant per capita income in 1955 was 136 yuan, compared to an alternative estimate of 114 yuan.⁽⁵⁶⁾ Finally some of the data for staff and workers appears to relate to basic wages without adjustment for extra-wage payments, which would tend to underestimate the real extent of the income gap.

Table 3.6 Worker-dependent ratios among the peasantry for all China and in Guangdong province in the mid-1950's.

Area	Year	Ave. house- hold size	Ave. no. of labour powers per household	Ave. no. of dependents per household	Worker: dependent ratio
All China (1)(a)	1954	4.8	2.4	2.4	1:1
All Guangdong (2)(b)	1956	4.0	1.8	2.2	1:1.2
Qing Yuan xian (3)	1956:-				
Xing Lian APC		3.72	2.04)	1.68	1:0.82
Tuan Jie APC		4.76	1.98)	2.78	1:1.40
Nian Xing APC		3.75	1.63)(c)	2.12	1:1.30
Tai Yang Sheng APC		4.30	1.38)	2.92	1:2.12
Shi Ban APC		4.73	1.25)	3.48	1:2.78
Qu Jiang xian (3)	1956:-				
Xiao Keng Yi APC		2.50	1.07)	1.43	1:1.34
Shi Bao Yi APC		4.71	1.84)(c)	2.87	1:1.56
Ma Ju APC		4.43	1.85)	2.58	1:1.39
Chao An xian, Xiang Zhang APC, No. 1 (4)	1954	4.36	1.68 (c)	2.68	1:1.60
Guang Ning xian, Jiang Bu xiang, Hong Xing APC (4)	1955	3.69	1.95 (c)	1.74	1:0.89
Xin Hui xian, Long Pang xiang, No. 1 APC (4)	1954	3.56	1.85 (d)	1.71	1:0.91
Hainan Island, Bao Ting xian, Tong Shen qu, Fan Mao APC (4)	1954(?)	4.46	2.77 (d)	1.69	1:0.61
Qu Jiang xian, Yang Gang APC(4)	1955	4.03	2.65 (d)	1.38	1:0.52
Zhong Shan xian, Qun Zhong APC (5)	1957	4.37	1.92	2.45	1:1.28

Sources: (1) 'Concise and important materials from the 1954 survey of rural income and expenditure', TJGZ, No. 10, 1957.
 (2) 'Is the difference ...'
 (3) Peng Xiao-fan, 'One cannot speak nonsense ...'
 (4) Guangdong CCP Committee Office, Forty agricultural producer co-operatives in Guangdong (Guangdong si-shi-ge nong-ye he-zuo-she), Guangzhou: Guangdong People's Publishing House, 1956.
 (5) Wei Shuang-feng, 'A survey of the living standards of the peasants in Zhong Shan xian', NFRB, 10-11th July 1957.

Notes: (a) Data collected from over 16,000 peasant households in 25 provinces.
 (b) Survey of 609 apc's in 1956. Some had increased their output level in 1956, some experienced a fall and some remained static. Some were in plain areas, some in mountainous areas, and some in areas that had suffered from successive years of natural disasters.
 (c) Converting half- to full-labour powers on the basis that two half-labour powers equal one full-labour power.
 (d) Though not specifically stated it is likely that half-labour powers have been converted to full-labour powers.

Further adjustments need to be made to the income data before an accurate picture is arrived at of a truly comparable figure of the financial value of income used for consumption of goods and services. In the first place differential savings could have a significant effect on the level of consumption in the two sectors. Accurate comparable data have not been located, but fragmentary information suggests that in the mid-1950's urban workers indeed were saving a relatively high proportion of their income (see Table 3.8). Over the whole of China staff and workers were reported in the mid-1950's to be saving almost eleven per cent of total personal disposable income, and in Henan province in 1956 the rate was almost twenty per cent (see Table 3.8). Moreover, part of the savings of urban residents was sent back to relatives in the countryside. In Henan province, for example, about one-third of the savings of staff and workers in 1956 was used in this fashion (see Table 3.9, Note (c)). Numerous data are available on the value of consumption per capita in town and countryside in 1956, employing various methods of calculation (see Table 3.9). Despite the higher savings rate among staff and workers, per capita consumption levels in the countryside still amount to only about forty or fifty per cent of the level of staff and workers. Fragmentary data from other provinces provide a similar picture (see Table 3.9).

It may be argued that a part of the additional income that urban dwellers earn does not contribute to a superior living standard compared to the peasants but is necessary simply to purchase items that were available free of charge or at a negligible price in the countryside, or which were necessary for urban but not for rural work. Chief among these are non-material items, such as rent, water and electricity payments, and transportation charges. A national survey for 1955 found that more than one-fifth of the total expenditure of staff and workers was of a 'non-commodity' (i.e. non-material) kind, compared with only 4.1 per cent for the peasants.⁽⁵⁷⁾ Data from the national level and from other provinces showed that expenditure on transport, water and electricity came to between 4.1 and 5.1 per cent of the total expenditure of 'staff and workers' in 1955-56, while the expenditure by peasants on equivalent items was negligible (see Table 3.10). A 1956 survey in

Guangdong province found that a representative middle peasant household spent just 2.1 yuan on heat and water, and nothing on rent, but that to obtain an equivalent standard of consumption in nearby Zhanjiang municipality would have required an expenditure of 30 yuan; such expenditure comprised only 0.5 per cent of the representative middle peasant households total expenditure, but would have comprised 4.4 per cent of the expenditure of a Zhanjiang worker at an equivalent standard of living (see Table 3.11).

It is doubtful if such extra expenditure can be considered to have made no contribution to a higher living standard for urban residents. Firstly, while most peasants did not pay rent for their dwellings, a cost generally had been incurred in purchasing or building them, though it is not possible to obtain a realistic assessment of the discounted stream of costs over time. Secondly, the data say nothing about the relative quality of the services obtained; it is quite possible that extra expenditure by urban dwellers may in part have represented payment for a superior product. Even urban transport costs cannot be viewed simply as a deduction from the real income of urban residents relative to peasants. To many peasants, the fact that an urban worker rode to work on a bus may well have appeared as an addition to the latter's standard of living, constituting part of a superior urban life style.

The same argument might possibly be applied to some items of material consumption: for example it was argued in one article that industrial workers needed rubber shoes in order to be able to work in a factory and a wristwatch in order to be punctual for work.⁽⁵⁸⁾ This may well have been true, but such items were useful and desired not merely for more efficient work: they contributed to a superior living standard for 'staff and workers', and it is hard to imagine that either peasants or urban workers would have been persuaded otherwise. A better case might be made for fuel, much of which would have been available free to peasants but which had to be purchased in the cities. However, even the collection of fuel involved expenditure of labour time for the peasant, even though it may have been by a young or aged member of the household for whom the opportunity cost of such work was low.

Various attempts were made in the Chinese press to take account of some or all of the factors outlined above. The most common procedure was that shown in Table 3.11 (see also Appendix C, Table 7) with the conclusion usually drawn that it required roughly 75 to 100 per cent above the peasants' income as usually reported to obtain an equivalent living standard in the urban areas, qualified by whether or not one was looking at a rich or poor rural area and a large or small urban area. However, this is slightly misleading in that the best surveys of rural income do place a value on items from the peasants' private sideline production (such as meat and vegetables). Moreover, of course it is assumed that urban dwellers do not obtain superior facilities for their expenditure on rent, water, and power, and no attempt is made to impute a cost to the building of houses by the peasants.

While not all the arguments advanced by the Chinese press in the anti-Rightist campaign of 1957 to suggest modifications to the extreme view of the dimensions of urban-rural inequality should be accepted, it is important to note that many of them were quite legitimate, and are indeed following along the lines suggested by Western development economists in their analysis of the measurement of urban-rural inequality. (59)

Table 3.12 makes a crude attempt to apply the various arguments advanced to the data on inequality between peasants and 'staff and workers' in Guangdong province. The differential between wages per worker in regular state employment after the wages reform of 1956 and the earnings from the APC of farm workers was 1:4.8. After account is taken of the different qualificatory factors a differential of per capita monetary value of income available for consumption of goods and services emerges at 1:2.3. The author has only encountered one Chinese source that makes a similar calculation, and that was for Hubei province in 1956 (see Table 3.13). There it was estimated that the differential in comparably adjusted income per capita was reduced to as little as 1:1.25 in favour of staff and workers. In none of the sources encountered was any attempt made to argue that staff and workers' income when appropriately measured and adjusted was less than the average for the peasantry, only that the gap was not so great as had been claimed during the 'Hundred Flowers'. What was the actual level of consumption of goods and services that could be consumed with these respective income levels? It is to that issue that the following section is addressed.

Table 3.7 Average per capita income of peasants and of staff and workers
in the People's Republic of China in the mid-1950's Unit: yuan.

<u>Province</u>	<u>Year</u>	<u>Peasants</u>	<u>Staff and workers</u>	<u>Peasants as per cent of staff and workers(%)</u>
Guangdong	1956	72(i)(1)	314(ii)(2) 230(iii)(3) 153(iv)(1)	23 31 47
Guangxi (v)(4)	1956	72	138	52
Hebei (vi)(5)	1955	114	176	65
(vii)(6)	1955	84	150	56))
(viii)(6)	1956	82	167-196	42-49)(ix)
Hubei (vi)(5)	1955	90	154	58
Jiangsu (vi)(5)	1955	136	243	56
(7)	1956	86(x)	188(xi)	46
(7)	1956	86(x)	210(xi)	41
Jiangxi (8)	1956	51(xii)	142(xiv)	36
(8)		102(xiii)	142(xiv)	72
Jilin (xv)(9)	1956	76	173	44
Liaoning (10)	1956	121	222(xvi)	55
(vi)(5)	1955	133	207	64
Shanxi (11)	1956	65	182(xvii)	36
Shenxi (vi)(5)	1955	105	213	49
Sichuan (vi)(5)	1955	76	157	48
All China (vi)(5)	1955	102	183	56

- Sources: (1) 'Is the difference ...'
 (2) Materials Department, 'A comparison ...'
 (3) See note (iii)
 (4) Li Yi-Wei and Na Yi-shi, 'The difference between the livelihood ...'
 (5) State Statistical Bureau, 'How can it be said ...'
 (6) Zhang Hua, 'A survey of the living conditions of workers and peasants in Hebei province', RMRB, 27th November 1957.
 (7) Jiangsu Labour Department, 'Preliminary investigation ...'
 (8) 'An outline of the relationship between the increase in output and the transformation of living standards', JXRB, 20th March 1957.
 (9) Jilin Statistical Bureau, 'A comparison ...'
 (10) 'The great transformation in the people's material and cultural living standards', LNRB, 1st October 1957.
 (11) Wei Heng, 'Political work report to the sixth session of Shanxi's First Provincial People's Congress, SaXRB, 26th August 1957

- Notes:
- (i) Including the value of private sideline production.
 - (ii) Guangzhou only. From a survey of 420 households of staff and workers.
 - (iii) Derived: basic wages of staff and workers after the wage reform of 1956 = 672 (annual rate) (Tao Zhu, 'Work Report ...'). Per capita income is derived on the assumption that the average family size of staff and workers in the mid-fifties was 4.37 people, with an average of 1.34 persons employed per household (from a national survey of 4,503 staff and workers) (Henan Statistical Bureau, 'The living standards of workers and peasants ...').
 - (iv) The source makes it clear that the per capita figure is arrived at simply dividing the average income of staff and workers by the average family size, which consequently tends to underestimate the true size of their average per capita income.
 - (v) Figures for staff and workers include basic wages, incentive bonus subsidies and welfare allowance. Per capita figure calculated on the assumption that each worker supports 3.72 persons (including themselves). Peasant figure includes income from agricultural and sideline production as well as common accumulation fund.
 - (vi) Peasant figure includes self-produced handicraft products, such as clothing and canvas shoes, with self-produced, self-consumed items valued at retail prices. Staff and worker figure includes regular pay, welfare payments, labour insurance benefits and bonuses.
 - (vii) Bao Ding municipality only: 1290 worker households and 120 representative peasant households.
 - (viii) Zhang Jia Kou municipality only.
 - (ix) The peasants in these areas were relatively well-off. A survey of 188 APC's in the mountainous area (in She xian, Handan S.D.) of Hebei found that the average income per capita in 1956 was only 52 yuan (Zhang Hua, 'A survey ...').
 - (x) Peasant income per capita in 1955 was reported in the same source as 114 yuan.
 - (xi) The lower figure excludes labour insurance, welfare, medical expenditure, and trade union expenses, and the higher figure includes them. The per capita data are calculated on the basis of surveys from Nanjing and Wuxi which showed that the average household size for staff and workers was 4.36, with an average of 1.45 employed persons per household.
 - (xii) A survey of 2,572 peasant households.
 - (xiii) A survey of 190 peasant households. This figure includes the value of private sideline production, which, by implication, the former excludes.
 - (xiv) Survey of 161 households of industrial workers (gong ren). Per capita figures derived by dividing income per worker by family size (4.24) (i.e. this underestimates actual per capita income).
 - (xv) 1952 prices.
 - (xvi) Derived: average wage given as 723 yuan. Per capita figures calculated on same basis as in Note (iii).
 - (xvii) Derived: average wage given as 592 yuan. Per capita figures calculated on same basis as in Note (iii).

Table 3.8 Per capita income and consumption for staff and workers, 1955-1956

<u>Area</u>	<u>Year</u>	Income per capita (yuan)	Consump- tion per capita (yuan)	Per capita savings:-	
				(i) yuan	(ii) per cent of per capita income
All China ¹	1955	183	163	20.0(a)	10.9
Hubei province ²	1956	168.68	150.38	18.3(b)	10.8
Henan province ³	1956	152.74	122.7	30.0(c)	19.6

Source: ¹ State Statistical Bureau, 'How can it be said ...'
² 'On the basis of the expansion of output our province's people's livelihood has magnificently improved', HBRB, 11th August 1957
³ Henan Statistical Bureau, 'The living standard of workers and peasants ...'

Notes: (a) About one-half of this was sent back to relatives in the villages (about six per cent of consumption). A cost of 3.74 yuan was spent on the purchase of People's Bonds.
(b) Includes both savings in the urban context and money sent back to the villages.
(c) Includes (i) 8.4 yuan consisting of current credit balances and deposits in the bank, and (ii) 9.9 yuan sent back to support relatives in the villages.

Table 3.9 Average value of consumption per capita for 'staff and workers' and peasants, 1956 Unit: yuan

Area	Staff and workers		Peasants		Peasants as a proportion of staff and workers (%)
All China	179	123 ⁴ (a)	81	123 ⁴ (a)	45.3
	199.8	567 (b)	84.2	56	42.1
		(c)	94.0	⁷ (e))	47.7
			102.4	⁷ (f)) (d)	51.3
Fujian province	149.9	⁸	84.7	⁸	56.5
Henan province	152.7	⁹ (g)	67.9	⁹ (h)	44.4
Hubei province	150.4	¹⁰ (i)	84.6	¹⁰ (i)	56.3

- Sources: ¹ 'How should we correctly regard the difference between the town and the countryside, between the workers and peasants?', NFRB, 15th July, 1964.
- ² 'A discussion of some ways of looking at the living standards of workers and peasants', XHNB, 23rd April 1957.
- ³ 'Chinese people's living standard is higher than ever', RMRB, 7th July, 1957, translated in SCMP No. 1566.
- ⁴ Li Yi-wei and Na Yi-shi, 'The difference between the livelihoods ...'
- ⁵ Zhou Jing-yu, 'Who says the people's living standards have fallen?', RMRB, 3rd August 1957.
- ⁶ State Statistical Bureau, Research Office, 'A preliminary analysis of production and distribution in China's national income', TJYJ, 1958, No. 1.
- ⁷ State Statistical Bureau, 'How can it be said ...'
- ⁸ 'The material livelihood of our urban and rural population has - risen magnificently', FJRB, 5th August 1957.
- ⁹ Henan Statistical Bureau, 'The living standard of workers and peasants ...'
- ¹⁰ 'On the basis of the expansion of output ...'

- Notes: (a) Calculated at constant (1952) prices ('A discussion of some ways ...')
- (b) Includes consumption from all income sources, including regular pay, welfare payments, labour insurance, and bonuses (State Statistical Bureau, 'How can it be said ...')
- (c) Calculated at constant (1952?) prices (State Statistical Bureau, 'How can it be said ...')
- (d) Self-produced, self-consumed goods calculated at constant (1952?) retail prices; income from commodity sales use current purchase prices.
- (e) Excluding the value of self-produced handicraft products, such as clothing and canvas shoes.
- (f) Includes the value of self-produced handicraft products, such as clothing and canvas shoes.
- (g) Income figure, from a survey of 373 staff and worker households in the cities of Chengzhou, Loyang, and Kaifeng.
- (h) Value of material consumption only; from a survey of 1,404 peasant households.
- (i) Value of material and non-material consumption.

Table 3.10 Per capita expenditure of staff and workers on rent, transportation, water and electricity, 1955-1956. (Unit: yuan per month)

<u>Area</u>	<u>Year</u>	<u>Actual expenditure (yuan)</u>		<u>Proportion of total expenditure (%)</u>	
		<u>(i) Staff and workers</u>	<u>(ii) Peasants</u>	<u>(i) Staff and workers</u>	<u>(ii) Peasants</u>
All China ¹	1955	0.87 (a)		6.0	
Guangdong province ²	1956	3.00 (b)		14.3	
Hubei province ³	1956	0.79		5.6	
Jiangsu province ⁴	1956	1.00)(c)	0.064	7.8)	0.85
	1956	1.05)(d)		6.7)	
Jilin province ⁵	1956	0.57 (e)	negligible	4.1	negligible

Sources: 1 State Statistical Bureau, 'How can it be said ...'
 2 Fang Lie and Huang Hua-qiang, 'A discussion ...'
 3 'On the basis of the expansion of output ...'
 4 Jiangsu Labour Department, 'Preliminary investigation ...'
 5 Jilin Statistical Department, 'A comparison of the living standards ...'

Notes: (a) Annual figure divided by twelve.
 (b) Guangzhou only.
 (c) Dan Yang xian staff and workers.
 (d) Wuxi and Nanjing municipalities' staff and workers.
 (c)(d) (e) Transportation expenses not included.

Table 3.11 Level of consumption of APC member Huang Jia-bing in Wu Zi xiang, Lian Jing xian, Zhan Jiang S.D., Guangdong province, and the amount needed to maintain the same level of consumption in Zhanjiang municipality.

Item	Unit	Amount consumed by Huang's family in 1956	Amount needed to buy this in the village (yuan)	Amount needed to buy this in Zhanjiang municipality (yuan)
Rice (da mi)	jin	1900	190	247
Sweet potatoes	jin	3400	68	102
Taro	jin	1200	24	60
Pork	jin	22	14.96	18.04
Chicken, duck	jin	48.5)	Produced by peasants	34.88
Fresh vegetables	jin	720)	themselves no expenditure needed.	42.40
Firewood			No expenditure needed: cut 63 by peasants themselves.	
Rent, water power	yuan		No rent. Water and power = 2.08 yuan	30
Beef, fish oil, salt, sugar, bean curd, haircut, alcoholic drink)	yuan		37.77	42.84
Cotton, cloth, towelling, medical expenses)	yuan		42.07	42.07
Production costs	yuan		11.27	No expenditure needed
Total	yuan		390.15	682.23

Source: 'Is the difference ...'

Notes: (a) In his family's consumption of food Huang Jia-bing is said to live at an upper middle peasant level, but in his consumption of things for use, at a poor peasant level. Overall Huang is considered to be an average middle peasant.

Table 3.12 Adjusted income differential between peasants and staff and workers in Guangdong province, 1956. (Unit: yuan per annum)

		Annual rate	
		Pre-wage reform	Post-wage reform
<u>Staff and workers</u>			
(1)	Wages per worker =	590	668
(2)	plus bonuses, welfare payments, sickness benefits, etc (i) =	767	868
(3)	Income per capita (ii) =	235	266
(4)	minus savings (iii) =	209	237
(5)	minus deduction for extra urban expenditure (iv) =	195	221
<u>Peasants</u>			
(6)	Earnings per worker from APC =	139	
(7)	plus private sideline output (v) =	174	
(8)	plus revaluation to allow for urban-rural price differential (vi) =	218	
(9)	Income per capita (vii) =	98	

Ratio of:- (1) : (6) = 1:4.2 - 1:4.8
 (2) : (7) = 1:4.4 - 1:5.0
 (2) : (8) = 1:3.5 - 1:4.0
 (3) : (9) = 1:2.4 - 1:2.7
 (5) : (9) = 1:2.0 - 1:2.3

Sources: See text to this section.

Notes: (i) Assuming these add thirty per cent to basic wages.
 (ii) Assuming (following national data) that average number of workers per household = 1.34 and average household size = 4.37.
 (iii) Assuming (following national data) these amount to 11 per cent of total income.
 (iv) Assuming (following national data) this amounts to six per cent of total income.
 (v) Assuming this adds 25 per cent to net income from APC.
 (vi) Assuming this adds 25 per cent to real peasant income (following Jilin province data).
 (vii) Assuming (following Guangdong data) the average number of workers per household = 1.8 and average family size = 4.0.

Table 3.13 Calculation of adjusted income differential between peasants and 'staff and workers' in Hubei province, 1956. (Unit: yuan per capita)

	<u>Yuan</u>
Peasants:	
(i) Gross income	112.67
Production expenditure, taxation, savings	28.03
(ii) Income for spending on material and cultural livelihood	84.64
Staff and workers:	
(iii) Total income, including wage and non-wage income	168.68
Money sent back to support relatives	9.90
Money deposited in banks or saved in ready cash	8.40
(iv) Income for spending on material and cultural livelihood (net income)	150.38
Deduction on account of differential in price of consumer goods ^(a)	35.1
Deduction on account of extra urban expenditure (rent, water and electricity charges, transportation costs)	9.48
(v) Adjusted relative net income	105.8

Ratio of: - (i) to (iii) = 1:1.48

(ii) to (iv) = 1:1.77

(ii) to (v) = 1:1.25

Source: 'On the basis of the expansion of output ...'

Note: (a) Rural consumer goods' general price level is only 76.65 per cent of the level in urban markets.

(b) The urban-rural gap in terms of actual levels of consumption.(i) Material

Extensive information was published in 1957 about the dimensions of the gap in material consumption levels between town and countryside. Table 3.14 gives information for Guangdong province, and Table 3.15 shows the situation in the Central/South Chinese provinces of Guangxi and Hubei. Comparable data from the national level and from other provinces (all from the mid-1950's) are given in Appendix C, Tables 11-14 and 20.

Planned purchase and planned supply (rationing) of grain was introduced in November 1953.⁽⁶⁰⁾ The combination of a severe agricultural tax and compulsory sales of grain meant that there must have been only a small proportion of marketed grain that was not controlled by the state.⁽⁶¹⁾ Most data on grain consumption in the mid-1950's showed urban and rural levels fairly close together, but with the level of staff and workers slightly lower than that for peasants (see Tables 3.14 - 3.15). There are, however, a number of difficulties in interpreting Chinese grain data. One important problem in this context is whether the figure for peasant grain consumption includes grain for seed and fodder. One would imagine that in the interests of true comparability in the data in Tables 3.14 - 3.15, the seed and fodder component is excluded from the peasant figures but it is interesting to note that in the only case where this is unambiguously so, the per capita consumption figures are very close together (Table 3.14). A second such problem concerns unrationed grain in the urban areas. There were several channels in the cities through which unrationed grain could be consumed, such as restaurants, cake and pastry shops, and grain processed into other goods.⁽⁶²⁾ It is not made clear in Tables 3.14 - 3.15 whether such grain was included in the urban figure. While it must be admitted that some uncertainty surrounds the data on total per capita grain consumption, no doubt exists in respect to the relative composition of grain consumption: the level of consumption of 'fine grains' (xi liang) such as rice and wheat generally was much higher for staff and workers than for peasants. In Jilin province in 1956 staff and workers consumed an average of 175 jin per capita of fine grain compared to only 54 jin for the peasants (see Appendix C, Table 12), while in Henan province the comparable figures were 368 jin and 181 jin (see Appendix C, Table 11) and in Guangxi province they were 287 jin and 267 jin (see Table 3.15).

The second item of 'bulk' food consumption was vegetables. Per capita consumption levels generally were similar in urban and rural areas, with only Guangdong province (on the basis of fragmentary data) falling out of line. In Guangxi province the level for staff and workers was 106 per

Table 3.14 Average per capita consumption of peasants and urban population in Guangdong province in the mid-1950's.

<u>Item</u>	<u>Unit</u>	<u>Peasants</u>	<u>Urban population</u>	<u>Urban population as % of peasants</u>
Grain (unhusked)	jin	459 ¹ (a)	449 ¹ (a)	98
Vegetables	jin	180 ² (b)	316 ² (c)	176
Edible oil	jin	3.2 ² (d)	9.0 ² (e)	281
Pork	jin	13.4 ² (f)	19.8 ² (d)	148
Fish	jin	21.9 ² (g)	12.6 ² (h)	58
Sugar	jin	6.9 ²	8 ² (e)	116
Poultry	jin	12.1 ² (j)	8.8 ² (h)	73
Cotton cloth	chi	15.8 ³ (k)	25.2 ³ (k)	159

Source: ¹ Yang Meng, 'Is the rural population's grain consumption less than that of the cities?', NFRB, 13th October 1957.

² Personal communication, K.R. Walker.

³ Chen Liu, 'The way in which ...'

Notes: (a) Average of three years (1954/5, 1955/6, 1956/7).

(b) 1956 and 1957 average, from two observations (middle peasants).

(c) 1957

(d) Average for 1955, 1956, and 1957.

(e) 1956.

(f) Average for 1952, 1956, and 1957.

(g) Average for 1953 and 1957.

(h) Average for 1956 and 1957.

(i) Average for 1953, 1956, and 1957.

(j) 1956, one observation for middle peasant.

(k) 1953.

Table 3.15 Per capita consumption of peasants, and staff and workers in Hubei and Guangxi provinces, 1956

Item	Unit	Hubei			Guangxi		
		Peasants	Staff and workers	Staff and workers as % of peasants(a)	Peasants	Staff and workers	Staff and workers as % of peasants
Grain (unhusked)	jin	589	449	76	485	455	94
of which:							
Rice	jin	-	-	-	267	287	107
Meat	jin	-	17.2	-	-	-	-
of which:							
Pork	jin	7.5	12.8	171	7.4	14.7	199
Vegetables	jin	192.5	228.2	119	172.0	181.8	106
Edible oil	jin	4.3	7.7	179	3.0	7.0	233
Cotton cloth	chi	24.8(b)	31 (b)	125(b)	11.3	119.2	170
Salt	jin	13.5	13.5	100	-	-	-
Sugar	jin	2.2	3.0	136	-	-	-
Fish	jin	3.4	20.0	588	-	-	-
Eggs	no.	28.6	68.9	241	-	-	-
Cigarettes	boxes (he)	17.7	19.7	111	-	-	-
Kerosene	jin	1.7	1.1	155	-	-	-
Alcoholic drink	liang	-	-	-	30.0	26.8	89
Bicycles	no.	-	0.002	-	-	-	-
Matches	no.	-	0.015	-	-	-	-
Soap	cakes (kuai)	-	8.06	-	-	-	-

Sources: Hubei: 'On the basis of the expansion of output ...'

Guangxi: Li Yi-wei and Na Yi-shi, 'The difference between the livelihoods ...'

Notes: (a) From a representative survey of staff and workers.

(b) Including purchases of ready-made cloth.

cent of the peasant level; in Hubei province the level of staff and workers was 119 per cent of that of the peasants (see Table 3.15). It is not clear to what degree controls over marketing influenced the relative consumption level of vegetables.⁽⁶³⁾

Rationing of the major item of meat consumption, pork, was not introduced until late 1956.⁽⁶⁴⁾ As late as 1957 items such as chickens, ducks, and geese, were outside the programme of compulsory purchase, and supply does not appear to have been rationed. The amount of pork eaten by staff and workers was much higher than the amount eaten by peasants; 48 per cent in Guangdong, 70 per cent in Hubei, and 98 per cent in Guangxi (see Tables 3.14, and 3.15). Even in the urban areas, however, absolute levels of meat consumption were very low - 6.7 Kgs. per capita in the rural areas of Guangdong, and 9.9 Kgs. in the urban areas of the same province (for staff and workers). Information on fish consumption is mixed: Guangdong data suggests a higher average level in the countryside, but the picture from Hubei is more in line with what one would expect on a priori grounds, namely a considerable gap in favour of staff and workers (see Tables 3.14 and 3.15). Both Hubei and Guangdong were provinces with relatively plentiful supplies of fresh water fish.

It should in general be noted that the chances of under-reporting of consumption levels of unprocessed foods is substantially greater in the rural than in the urban areas for obvious reasons. In reality the actual gap in consumption levels of meat, fish, eggs, and good quality grain may not have been as great as the above picture suggests. Moreover, no data have been located on fruit consumption which was particularly important in a sub-tropical province such as Guangdong.

Planned supply of edible oil began in winter 1953-1954.⁽⁶⁵⁾ The supply norms fixed for town and countryside were unequal. In Guangdong urban per capita consumption levels in the mid-1950's were close to three times the level in the villages, while in Hubei the level of staff and workers was 80 per cent above that of peasants, and in Guangxi province 132 per cent (see Tables 3.14-3.15).

Planned supply of sugar was introduced also in the winter of 1953-1954.⁽⁶⁶⁾ Again it appears that supply norms were higher for staff and worker than for peasants. In Hubei province per capita consumption of staff and workers was 39 per cent above that of peasants, and in Guangdong sixteen per cent (see Tables 3.14 and 3.15). Actual differences in edible oil and sugar consumption may have been slightly less than reported, due to unreported retentions of the raw products by peasants.

Rationing of cotton cloth supplies was begun in September 1954,⁽⁶⁷⁾ with significantly higher levels of consumption allowed in the cities. Per capita consumption of staff and workers in Guangdong province was 59 per cent higher than for peasants, which in Hubei province it was 25 per cent higher, and in Guangxi 71 per cent, (see Tables 3.14-3.15).

'Luxury' items such as radio's, wristwatches and bicycles were in limited supply in the 1950's and that supply often was controlled in one way or another.⁽⁶⁸⁾ The gap in per capita consumption levels between town and countryside was quite dramatic. In 1956 in the rural areas of China there was only about one bicycle purchased for every 3000-odd people,⁽⁶⁹⁾ compared to one for every 500 people in staff and workers families in Hubei province (see Table 3.15), and one for every 18 people in staff and workers' families in Shanghai municipality.⁽⁷⁰⁾

It is clear from the data in Tables 3.14 - 3.1 and Appendix C, Tables 8 - 9 and 11 - 13, that there were major differences in the average levels of material consumption per capita in town and countryside in the mid-1950's, despite the fact that controls over many of the major items of consumption had been introduced by then. The only major items for which consumption levels were more or less equal in the two sectors were grain and vegetables. However, in the former case the composition of urban consumption was markedly superior to that in the countryside; it has, moreover, been argued that the income elasticity of demand for grain in the urban areas was low.⁽⁷¹⁾

The effect of extensive state control over the marketing of consumer goods was not, then, to produce equality in consumption levels between the urban and rural sectors. This is hardly surprising as it was not the objective behind the system of planned supply. Only in the case of grain consumption in the countryside does something approaching guaranteed minimum supply seem to have operated.⁽⁷²⁾ In the urban areas, grain-ration cards entitled the possessor only to the purchase of the stipulated amount. For non-grain items included in the rationing system, such as sugar, edible oil and cotton cloth, both in rural and urban areas 'rationing' likewise meant simply, that certain quantities were available for purchase at fixed prices: again ration cards did not guarantee supply.⁽⁷³⁾ The main result of the rationing of grain in the cities and non-grain items in both town and countryside appears to have been to guarantee a certain minimum level that could be purchased at fixed prices, thereby preventing better-off sectors of the population from 'bidding away' extra supplies except through the operation of the black market.

The desire to restrict rather than eliminate inter-sectoral inequalities through the rationing system is reflected in the careful way in which supply norms were adjusted to the relative purchasing power of different groups. For example, in Guangdong province in 1955 the supply norm for edible oil consumption (including oil for industrial use) were

as follows (unit: jin per capita):-⁽⁷⁴⁾

Guangzhou municipality	=	12
Guangzhou suburbs	=	6
Towns of: (i) over 100,000 inhabitants	=	9
(ii) over 30,000 inhabitants	=	7
(iii) over 20,000 inhabitants	=	5
(iv) less than 20,000 inhabitants	=	3.5
Average for all rural residents	=	3.5
of which:		
Hainan	=	3.0
West and East Guangdong	=	3.4
North Guangdong	=	3.5
Central Guangdong	=	3.9

Furthermore, it is clear that the supply norms set under planned supply did not constitute an absolute limit to an individual's consumption.⁽⁷⁵⁾

In 1956 for example, the average level of per capita consumption of cotton by staff and workers in China was 35 chi;⁽⁷⁶⁾ but consumption ranged from only 19.6 chi for those with per capita incomes of less than 80 yuan, to 66.5 chi for those with incomes of above 300 yuan.⁽⁷⁷⁾

It is worth reiterating finally, that there were a great many items over which rationing did not operate at all. The production of these commodities was controlled strictly on the industrial side and less strictly on the agricultural side. The state exercised tight control over the price of industrial consumer goods and less tight control over non-rationed agricultural commodities. This left room for considerable inequalities in consumption levels: as was seen in Tables 3.14 - 3.15 the gap in per capita consumption levels between peasants and staff and workers for items such as fish, eggs, watches and bicycles, could be large.

(ii) Non-material

As already noted it is not easy to evaluate the usefulness of educational and health data. However, without even taking into account the likelihood that the quality of educational facilities in the countryside generally was below that in the towns the available data strongly suggest that the cities were significantly better-served than the rural areas in the middle and late 1950's. Speaking in 1959, Tao Zhu noted that there was roughly one school student for every eight people over the whole province, compared to one for every five in Guangzhou.⁽⁷⁸⁾ In 1957 over the whole of Guangdong 11.9 per cent of the total population was in school (middle plus primary), compared to 15.2 per cent in Guangzhou and 19.4 per cent in Haikou municipality (on Hainan Island).⁽⁷⁹⁾

Moreover, the proportion of school students in primary and middle schools was different in town and countryside. In 1957 the proportions were 11 per cent (middle) and 89 per cent (primary) for the whole province, compared to 24 per cent and 76 per cent respectively for Haikou municipality; in Guangzhou in 1959 the proportion also were 24 and 76 per cent respectively.⁽⁸⁰⁾

It seems likely that the rate of expansion of primary plus secondary education in the 1950's was more rapid in the cities. For example, the total numbers of school students in Guangzhou in 1959 was 4.9 times as large as in 1949, while for the whole province the figure for 1958 was only 3.4 times that for 1949.⁽⁸¹⁾ It is clear from these data that the proportion of the population attending school in the middle and late 1950's was significantly higher in Chinese cities than in the countryside. The contrast was particularly marked at the middle school level.⁽⁸²⁾ If one takes into account also the probable superior quality of urban education and the strong concentration of tertiary education in the cities⁽⁸³⁾ then the overall picture of marked superiority of urban educational facilities in the middle and late 1950's is unambiguous.

The contrast between towns and countryside in the mid-1950's is even more striking in respect to the location of health facilities. At this time Guangzhou contained about five per cent of the total population of Guangdong province, yet it had 24 per cent of all the hospitals in the province and 17 per cent of the total number of sick beds; Guangzhou had one hospital for every 96,000 people and one sick bed for every 480 people (in 1954) compared to 631,000 and 2155 respectively (in 1955) for the rest of the province.⁽⁸⁴⁾

Various other non-material factors assisted also in raising the level of urban workers compared to peasants. The eight hour day was said to be universal for staff and workers, while the retirement of male 'staff and workers' at 60 and female at 50 years of age meant that the later years of life were less strenuous for state employees than peasants.⁽⁸⁵⁾ An evaluation of the arduousness of factory work compared to field work, and the quality of urban housing compared to rural housing would be useful in arriving at a complete picture of relative consumption levels, but difficulty of obtaining meaningful measures precluded such a consideration.

Table 3.16 Value of material consumption (wu-zhi xiao-fei) of peasants and 'staff and workers', all-China. (Unit: yuan per capita)

Year	Staff and workers ¹²		Peasants ¹		Peasants as % of staff and workers	Urban-rural gap yuan
	yuan	index	yuan	index		
1952	167.7	100	91.4	100	54.5	76.3
1953	176.6	105.3	92.3	101.0	52.3	84.3
1954	177.9	106.1	93.8	101.6	52.7	84.1
1955	179.9	107.3	101.2	110.7	56.3	78.7
1956	199.8	119.1	102.4	112.0	51.3	97.4

Source: ¹ State Statistical Bureau, 'How can it be said ...'
² State Statistical Bureau, 'A preliminary analysis ...'

Notes: 'The consumption level of staff and workers is calculated at constant prices, due to the increase in the price level of livelihood expenditure goods (1952 = 100, 1956 = 106). As for the peasants' consumption level, a distinction is made between (i) the self-consumed and -produced portion, which is calculated at constant prices, using the purchase price rather than the retail price; and (ii) the commodity portion, which is principally sold and used to buy industrial commodities, and here, due to the steady increase in the price of purchase of agricultural commodities (1952 = 100, 1956 = 116), and to the fact that the price of industrial commodities has not increased current prices are used as opposed to constant prices, in order to reflect the real peasant livelihood level..' (State Statistical Bureau, 'How can it be said ...').

Table 3.17 Consumption of peasants and 'staff and workers', All China. (Unit: yuan per capita, constant 1952 prices).

Year	Peasants		Staff and workers		Peasants as % of staff and workers	Absolute size of gap (yuan)
	yuan	index	yuan	index		
1936	61.2	85	130.0	86	47.1	68.8
1952	72.0	100	151.0	100	47.7	79.0
1955	78.9	110	164.6	109	47.9	85.7
1956	81.0	113	179.6	119	45.1	98.6

Sources: 'A discussion of some ways ...', and 'How should we correctly regard the difference between town and countryside, between worker and peasant', NFRB, 15th July 1964.

Table 3. 18 Wages of 'staff and workers', and peasant income and consumption per capita, All China.

Year	Staff and workers ¹		Peasants				
	Index 1952 = 100 (current prices)	% change on previous year	Income (a) ¹		Consumption ²		
			Index 1952 = 100 (current prices)	% change on previous year	Yuan (constant 1952 prices)	Index	% change on previous year
1952	100	-	100	-	72.8	100	-
1953	111.2	11.2	106.9	6.9	74.7	102.6	2.6
1954	116.4	4.6	110.7	3.6	76.8	105.5	2.8
1955	119.7	2.9	120.7	9.0	82.5	113.3	7.4
1956	136.8	14.3	124.3	3.0	84.2	115.7	2.1
1957	142.8	4.4	127.9	3.0	-	-	-

Sources: ¹ State Statistical Bureau, Ten Great Years (reprinted with introduction by F.H. Mah) Washington: Washington State College, 1974, p. 148.

² State Statistical Bureau, 'A preliminary analysis ...'

Notes: (a) It is not made clear if these are per capita figures, but it appears likely from the context.

2. Changes in the urban-rural income gap, 1952-1957.

Data from Guangdong are too poor to permit a close analysis of the movement over time of urban and rural income levels. Fortunately, useful comparative data were published nationally as well as for some individual provinces. From these some firm conclusion can be drawn.

In the early years after liberation, both urban and rural real incomes were growing quite rapidly (see Tables 3.16-3.18) as output expanded and approached the pre-1949 peak level. It appears that the concern at this stage was more to return living standards in both town and countryside to somewhere close to their pre-1949 peak than to adjust the differential between town and country in a particular fashion.

During the First Five Year Plan one might expect to have found a more conscious concern with planning the gap in real incomes between town and country. Was this indeed the case? The objective of the plan was to provide for some increase in popular living standards, but simultaneously to increase quickly the rate of investment: the state was trying to ensure that a significant proportion of increments to output was channelled away from consumption towards investment. What is striking about the First Five Year Plan document⁽⁸⁶⁾ is the precision with which increases in urban incomes were planned compared to the vagueness of anticipated rises in average rural incomes. The plan suggested that wages and welfare grants for staff and workers would be 'raised appropriately on the basis of a continuous increase in production and labour productivity'.⁽⁸⁷⁾ Over the whole five years it was planned that the average wage of staff and workers would increase by 'about 33 per cent'.⁽⁸⁸⁾ A detailed breakdown was given of the respective growth rates in the eight different sectors employing staff and workers, ranging from only 19 per cent in capital and construction projects to 66 per cent in state organs.⁽⁸⁹⁾ In the rural sector the plan included detailed (and given the dependence of farm output on natural conditions, quite unrealistic) targets for output increase, and indicated the paths through which increases in rural incomes could occur; it suggests that as a result of the 'development of agriculture during these five years' the peasants would 'enjoy a still higher standard of living'.⁽⁹⁰⁾ But beyond this no precise indication was given of the degree to which it was hoped that peasant income would rise over this period. There are statements throughout the First Five Year Plan expressing interest in attempting to increase peasant incomes. Mao, for example, was deeply aware of the need for increased rural income to stabilise support for the APC's; he wrote in

April 1956 that except in the case of natural disasters, 'given increased agricultural production' the government had to ensure that 90 per cent of APC members obtained some increase in their income.⁽⁹¹⁾ However, there does not appear to have been a clear conception of the appropriate dimensions of the gap in incomes between town and countryside. On the one hand there was a firm intention to ensure a significant rise in urban real incomes, and on the other, a hope that a definite but unspecified rise in rural income would occur.

National data suggest that peasant income at the end of this period was higher than at the beginning but that the growth rate was not rapid: in real terms peasant per capita consumption grew by 12-13 per cent from 1952 to 1956 (Tables 3.16-3.17), and probably there was a further increase in 1957 (as suggested by Table 3.18). However, in the case of some important individual provinces this was not the case, with some decline taking place between 1952 and 1956 in real per capita peasant income.⁽⁹²⁾ As one would expect, given the impact of both weather and institutional change the pattern of change in peasant income was not stable. The main advance came between 1952 and 1955. Thereafter any increase was at a much slower rate, and in 1955-6 some provinces even reported a drop in peasant income per capita.⁽⁹³⁾ This conforms broadly with the picture evolved from the data for Guangdong province. The reasons for the slow growth of rural income during the collectivisation period were partly climatic, partly institutional (firstly an account of the specific problems associated with collectivisation and secondly due to the continuing attempt to control the growth of consumption and channel resources into investment), and partly due to the difficulties of trying to increase output with little assistance from the modern sector.

On the urban side the picture is different. In the first place the overall growth rate was significantly faster for staff and workers than for peasants: the real value of staff and workers' per capita consumption in China rose by nineteen per cent from 1952 to 1956 compared to the 12-13 per cent for peasants (Tables 3.16-3.17), while their wages rose by 43 per cent from 1952 to 1956 compared to 28 per cent for peasant per capita income (Table 3.18). A second contrast with the change in peasant income is the temporal pattern. After rapid growth from 1949 to 1953,⁽⁹⁴⁾ urban real incomes grew only slowly from 1953 to 1955 (Tables 3.16-3.18). Indeed, from 1952 to 1955 the rate of growth of the real income of staff and workers probably was slightly below that of the peasants (Tables 3.16-3.17).

However, the wage reform of 1956 was accompanied by a large rise in the income of staff and workers: national average wages rose by 14 per cent (current prices) and real per capita consumption rose by 9-10 per cent (Tables 3.16-3.17). In 1957 real wages of staff and workers rose by a further three per cent.⁽⁹⁵⁾ Over the whole period 1952-7, instead of growing by the planned 33 per cent, average wages of staff and workers rose by 43 per cent, mainly due to loss of central control during the 1956 reform.⁽⁹⁶⁾

What were the implications of these changes for the relative levels of income and consumption of peasants and 'staff and workers'? National data (Table 3.17) suggest that in the early 1950's the real value of peasant consumption stood at roughly the same proportion of that of staff and workers as in the mid-1930's, which is broadly consistent with the knowledge that both urban and rural incomes grew quite rapidly from their relatively low level at the time of Liberation. The ratio of peasant to staff and workers real income probably moved slightly in favour of the latter in 1953 and 1954, shifted somewhat in favour of the former in 1955, but moved sharply in favour of staff and workers in 1956 (Tables 3.16-3.17). According to one estimate the real value of peasant consumption had declined from 54.5 per cent of staff and workers' consumption in 1952 to 51.3 per cent in 1956 (Table 3.16). However, when absolute levels differ markedly, rates of growth may not provide a good guide to the short-run movement in the absolute size of a gap. While the ratio of peasants' to staff and workers' real value of consumption had changed only by two or three percentage points between 1952 and 1956 (indeed, between 1936 and 1956), a considerable movement had occurred in the absolute size of the gap. According to one measurement the gap in real consumption for all China on average had risen from 69 yuan in 1936, to 79 yuan in 1952 to 99 yuan in 1956 (Table 3.17); according to another it had risen from 76 yuan in 1952 to 97 yuan in 1956 (Table 3.16). Even in 1955, the best year for the peasants in relative terms in this period, the absolute gap had widened nationally compared to 1952 (Tables 3.16-3.17). The data from particular provinces show an even more dramatic situation. In Jiangsu province the absolute gap in per capita income (current prices) widened from 73 yuan in 1952 to 101 yuan in 1956, and in Jilin province it widened (in constant prices) from 54 yuan in 1941, to 64 yuan in 1952, reaching 97 yuan in 1956.⁽⁹⁷⁾

The seriousness of the situation was brought home vividly to the leadership during the 'Hundred Flowers' in 1957 producing extensive public discussion of the issue. The slow growth of peasant real income in the mid-1950's would itself probably have been sufficient to cause discontent in the countryside, but when this was accompanied by a significant widening of the gap in real income between town and countryside as occurred in 1955-6 during collectivisation it is no wonder that the issue blew up into a major source of complaint during the 'Hundred Flowers' campaign.

What was the proposed solution to the problem? Certain relatively small initial changes were instituted. For example, it was acknowledged that among the staff and workers there were some administrators (zhiyuan), miscellaneous workers (za gong), apprentices, and temporary workers whose wages were indeed too high, and about whom it was understandable that the peasants should feel dissatisfied.⁽⁹⁸⁾ Similarly, some upward adjustment was made to the price of a number of farm commodities⁽⁹⁹⁾ so that the 'scissors' price index (relating the index of farm prices to the index of industrial prices) shifted in favour of the farmers.⁽¹⁰⁰⁾ However, a major propaganda effort was pushed through in the Autumn of 1957 to explain to the peasants that the urban-rural income differential was not as great as many claimed, and to justify the existence of the gap that it was acknowledged did exist. In the Guangdong provincial press, for example an extensive series of important articles was published at this time under the general heading 'Great debate on the relationship between town and countryside, between industrial worker and peasant'. It was made quite clear to the peasantry that it would be a long, slow process to even up living standards in town and countryside, and that it was unrealistic to expect an overnight transformation of the inherited situation.

3. Government policy towards the urban-rural income gap.

The post-revolutionary government in China inherited a significant gap in average income levels between town and countryside. What was their policy towards that gap? In certain respects their attitude has been unchanging. Virtually every spectrum of political opinion in the leadership of the CCP has accepted that the inherited inequalities cannot be eliminated at once. There has been consistent opposition from the top of the party to the kind of ultra-egalitarian view that was extensively expressed during the 'Hundred Flowers' movement both among peasants and cadres in the party and state apparatus at the grass roots. (101)

During the 'Hundred Flowers' some people pointed out that under the constitution of the PRC all the citizens of China were equal yet in reality they were not equal because the urban workers were receiving more than the peasants. (102) Many peasants complained: 'The industrial workers don't do much work and get a lot to eat, while the peasants do a lot of work and don't get much to eat. The Party only takes care of the industrial workers and doesn't take care of the peasants.' (103) Certain people in the villages suggested that instead of the PRC being a state based on the 'worker-peasant' alliance, it should be more properly called a 'peasant-worker' state: 'China has a large number of peasants whose contribution to the state is great, and a small number of industrial workers whose contribution to the state is small; consequently the peasants should lead the industrial workers. The peasants can get by without having to rely on the cities and on industry, but if the industrial workers and the urban population go just one day without grain then they will die of starvation; consequently agriculture should lead industry, the countryside should lead the towns.' (104) It is clear from the nature of the arguments put forward by the leadership in autumn 1957 that many peasants thought that the correct solution to the problem of the gap in income between worker and peasant was to reduce the income of workers and distribute the surplus to the peasants.

At the basis of the virtually united opposition within the party leadership to such ultra-egalitarian views has been a degree of consensus

about the relative political role of peasants and workers in the post-revolutionary state. Despite the fact that the basis of the seizure of power was laid in the countryside the CCP accepted the basic distinction in Marxism Leninism between the peasantry and the industrial working class derived from their different position in the production process. Before the revolution the workers had not owned their means of production while the individual peasants had; even after collectivisation most agricultural means of production were owned by relatively small collective groups rather than by the state, and the remainder were owned privately.⁽¹⁰⁵⁾ Landlordism and a low standard of living meant that the peasants could 'enthusiastically participate in the revolution and hope for the establishment of a society without classes or exploitation.'⁽¹⁰⁶⁾ However, the fact that the peasants were private owners meant that they also had the capacity to 'spontaneously take the capitalist path'.⁽¹⁰⁷⁾ It was said to be only through the leadership of the CCP that the peasants were induced to establish agricultural collectives, and only through the CCP that they might be led further along the 'socialist' path:

'Old China was a vast sea of small production. Conducting socialist education among several hundred million peasants is a serious question at all times and requires the endeavour of several generations. But among the several hundred million peasants, the poor and lower-middle peasants form the majority, and they know from practice that the only path to the bright future for them is to follow the Communist Party and keep along the socialist road. Our Party has relied upon them to forge unity with the middle peasants for the step-by-step advance from mutual-aid teams to the elementary and advanced agricultural producers' co-operatives and then to the people's communes, and we can surely lead them in further advance.'⁽¹⁰⁸⁾

In addition to being a propertyless class, the industrial workers are concentrated in factories, operate machinery, and work under a complex division of labour. The peasantry by contrast work in a dispersed fashion, with a limited degree of specialisation of tasks, and until recently with a small degree of assistance from modern means of production. This has been said to produce a different level of consciousness, with the peasants 'lacking in collectivist ideology, and lacking in strict discipline and organisation', while the industrial workers 'have developed the habit of co-operation, mutual-aid, organisation and discipline'.⁽¹⁰⁹⁾ Moreover, it is the products of the labour of the industrial working class in the form of modern agricultural means of production that hold

the key to the modernisation and 'proletarianisation' of farm work. (110)
 In consequence it has been the industrial working class, and its 'vanguard' the CCP, that has been regarded as the leading force within the ideology of the post-revolutionary Chinese state: (111)

'We say that the peasants are the "backbone of the army", but the "backbone of the army" is not the same thing as the army "command section"; the "backbone of the army" can win a victorious battle under the leadership of the "command section", and this "command section" is the party of the working class, the Communist Party ... There is no basis for the viewpoint that the working class is smaller than the peasantry, makes a smaller contribution, and so cannot lead the peasants. On the contrary ... it is only possible for the working class to lead the peasantry and not for the peasantry to lead the working class ... In order to accord with the demands of socialist development, we must ensure the leadership of the whole-people-owned economy once the privately-owned economy, and after the privately-owned economy has been eliminated, we should ensure the leadership of the whole-people-owned economy over the collective-ownership economy, which is to say, to ensure the leadership of the working class over the peasants. Only in this way can the planned development of social production be facilitated, and moreover, the collectively-owned economy ultimately transformed into an all-people-owned economy. ... The cities certainly must rely on the villages to be able to promote socialist industrialisation, but the villages also need to rely on the cities' support in political, economic and cultural respects, so that they can steadily cast off their poor, uninformed, backward state. However, the upshot of "mutual aid and support" is not that the cities look towards emulating the villages, but that the villages gradually rise to the level of the advanced socialist cities. Thus, the viewpoint that says that "the villages should lead the cities" cannot but be mistaken.' (112)

While the conception of the relative political position of peasant and worker in the post-revolutionary state was important in deciding the CCP leadership's response to ultra-egalitarian sentiments, more concrete arguments were developed to explain and justify the undeniable existence of a real income gap between town and countryside. At the centre of this was the much-debated concept of 'bourgeois right'. This idea has been at the centre of Chinese thinking on income distribution since 1949, and it originates in Marx's Critique of the Gotha Programme. (113) In this a distinction is drawn between two stages in the development of the post-revolutionary state, the first being the 'socialist' phase and the second the phase of full 'communism'. In the lower or 'socialist' phase, according to Marx 'what we have to deal with ... is a communist society, not as it has developed on its own foundations, but on the contrary, just as

it emerges from capitalist society; which is thus in every respect, economically, morally and intellectually, still stamped with the birth marks of the old society from whose womb it emerges.'⁽¹¹⁴⁾ At this stage the production of consumer goods falls far short of abundance (in China in 1949 this applied a fortiori) and work is still for most people a means to an end rather than an end in itself; moreover, the outlook of most people is still individualistic with little preparedness to work for a collective cause rather than individual reward. Accordingly, Marx in the Critique of the Gotha Programme and the Chinese post-revolutionary leadership following his analysis, have recognised that the efficient functioning of the economy requires at this lower stage appropriate material motivation of the workforce. Consequently, the principle on which income has to be distributed is 'from each according to their abilities, to each according to their work', in contrast to the 'communist' distribution principle of 'from each according to their abilities, to each according to their need'.⁽¹¹⁵⁾

Marx's idea was that in the lower stage of post-revolutionary society each worker would have an 'equal right to remuneration': 'the individual producer receives back from society ... exactly what he gives to it. What he has given to it is his individual quantum of labour.'⁽¹¹⁶⁾ However, according to Marx this 'equal right' was still only 'bourgeois right', or in other words a 'right of inequality':

'The right of the producers is proportional to the labour they supply; the equality consists in the fact that measurement is made with an equal standard labour. But one man is superior to another physically or mentally and so supplies more labour in the same time, or can work for a longer time; and labour, to serve as a measure, must be defined by its duration or intensity, otherwise it ceases to be a standard of measurement. ... Further, one worker is married, another not; one has more children than another, and so on and so forth. Thus, with an equal performance of labour, and hence an equal share in the social consumption fund, ... one will be richer than another, and so on. To avoid all these defects, right instead of being equal would have to be unequal.'⁽¹¹⁷⁾

How then was the concept of 'bourgeois right' in income distribution applied to the particular case of inequality between peasant and worker? In the first place it has been interpreted on straightforwardly pragmatic lines in relation to the inherited differential between them. It has been argued consistently by China's leaders that the correct way to move towards greater equality in urban and rural living standards is to raise rural living standards rather than lowering those in the cities.⁽¹¹⁸⁾

It was said that to reduce urban living standards in the pursuit of greater equality between town and countryside would dampen the 'production enthusiasm' (sheng-chan ji-ji-xing) of the urban workers, and so be harmful to the development of industrial production.⁽¹¹⁹⁾ Such a viewpoint was said to be 'disadvantageous absolute egalitarian ideology (jue-dui ping-jun zhu-yi)' which ought to be 'resolutely opposed'.⁽¹²⁰⁾ Furthermore, in Guangdong in late 1957 it was pointed out to the peasants that to confiscate the extra amount consumed by urban dwellers and redistribute it to the peasants would be only a 'drop in the ocean' as far as each peasant was concerned: 'if the extra amount of consumption by Guangzhou residents is lopped off and their standards made equal with those of the village residents, it will not produce more than an extra inch (cun) of cotton cloth nor more than an extra ounce (qian) of oil per person per month',⁽¹²¹⁾ which 'will not solve much will it?'.⁽¹²²⁾

In addition to such straightforwardly pragmatic arguments more complex justifications, using the notion of the 'socialist' rule of income distribution ('to each according to their work'), of the gap in real income between town and countryside have been advanced. For example, it was argued that a higher income for urban workers was fair on account of the higher output per worker in the cities:⁽¹²³⁾ 'inasmuch as the worker creates more than the peasant does it is fair that he should receive a somewhat higher income and that his living standard should be somewhat higher than that of the peasants'.⁽¹²⁴⁾ A lot of data was produced showing, unsurprisingly, that output per worker in urban employment was much higher than in agriculture. In Guangdong, for example, the average value of net output per worker in industry in 1956 was around 5,000 yuan, compared to a value of output per peasant household of only 432 yuan;⁽¹²⁵⁾ in Anhui province the average net value of output per factory worker in 1956 was 3080 yuan compared to 156 yuan per peasant.⁽¹²⁶⁾ Frequently articles on the subject suggest that the worker's contribution to the state was greater than the peasant's since 'China's modern industry is owned by the whole people and the national income that industry produces for the most part goes to the state and only a small portion is retained by the industrial workers',⁽¹²⁷⁾ while 'agriculture is under a system of collective ownership, and the bulk of the national income that the peasants produce is retained by themselves'.⁽¹²⁸⁾

There are some problems with the logic of the arguments advanced in the previous paragraph. Even accepting that in terms of the 'socialist'

principle of distribution ('to each according to their labour') a higher output per person 'justified' a higher income, the rule as applied by the Chinese in this case provides no indication of how great the income difference resulting from it ought to be: why should the income of urban workers be only 'somewhat' greater than that of peasants when their output per worker was vastly greater? A further problem concerns the fact that a large part of the extra productivity of urban workers of course is due to the more highly mechanised nature of their work rather than to harder work or higher skill levels. While recognising this, Chinese writings on the subject do not indicate how this can be taken into account in quantifying the 'appropriate' urban-rural differential. Finally, a serious difficulty in attempting to justify the urban-rural income gap by reference to output per worker relates to 'unproductive' workers in state administration: how does one measure their contribution to output? Unsurprisingly this thorny issue was not raised in the context of discussions about the gap in income between town and countryside. (129)

Further justification of the urban-rural income gap in terms of the 'socialist' rule of distribution was provided in relation to the higher skill level required for urban work:

'Except for some technical labour, agricultural production involves generally a large percentage of simple labour. Because of exacting technical demands, industrial production generally involves much more technical labour of a complicated nature. Just as rural labour like transplanting of seedlings, field raking, field ploughing, etc., is relatively technical, so remuneration for such labour is higher.' (130)

The basis on which this argument was used to justify higher urban incomes is not precisely clear. Most often the implication is that the greater skill level is responsible for a higher output from urban workers, but there are hints that to some degree also the higher income accruing to more skilled work is in part of compensation for 'time spent studying to raise one's level of skill and technical ability'. (131) (132)

Arguments were advanced also in relation to the physical conditions of urban and rural work. It was argued that under the 'socialist' distribution rule those working in modern industry ought to receive higher incomes because their work was more 'tense' (jin-zhang) than peasants' work owing to the fact that the pace of work was dictated by machinery. Similar arguments were advanced in respect to the duration of labour. In a report on a 'debate' in a production brigade in Guangdong it was said that the average number of days worked by the peasants in the 240 (133)

days from December 1956 to August 1957 was only 94, whereas industrial workers had only one day off each week: 'if the peasants greatly increased the number of days on which they went to work the amount of time spent working by industrial workers still would be above that of the peasants.' (134) It is hard to imagine that if time spent on private plots and mass labour projects were included, the peasant figure given above would be typical in the mid-1950's; moreover, the length and intensity of a day's labour varied greatly from one season to another.

A third strand of the argument about working conditions relates to the degree of pleasantness or unpleasantness of the immediate physical environment. For example, in the 'debate' referred to in the preceding paragraph the party cadres argued that industrial workers in steel-making and paper-making factories who work in front of furnaces face a heat several times greater than working out in the sun, and even those who are not directly in front of the furnaces are couped up inside a factory all day. (135) At the meeting the peasants reportedly said: 'that's right, while we are resting under the shade of the trees, other people are working in factories' and in this way 'everyone was completely convinced'. (136)

Even at the points of greatest radicalism in policy towards income distribution (during the Great Leap Forward in 1958-9; during the Cultural Revolution in 1966-7 and to a lesser degree from 1967 to 1976) there has been no attempt to eliminate at once the gap in average income levels between town and countryside. Equally, during periods of greater stress on the necessity of income inequalities to stimulate economic growth there has never been any questioning of the notion that one of the ultimate goals of a 'socialist' society such as China in its transition towards 'communism' is to remove the gap between the town and countryside. However, there has been considerable disagreement among China's leaders about the appropriate speed with which the gap should be narrowed.

Conclusion

Detailed analyses published towards the end of the Chinese First Five Year Plan showed that the dimensions of the gap in average income between urban workers and peasants were less than they appeared at first sight. Such analyses generally were based on a serious consideration of the complex issues involved in making this comparison, and enable a quantification of the gap to be obtained that compares favourably with the precision that is possible in many LDC's. ⁽¹³⁷⁾ It has to be reiterated that the bulk of the data were in relation to urban workers in regular state employment and that outside this sector urban incomes generally were lower and more variable.

Despite the fact that the extent of the 'gap' was often exaggerated, it is clear that a significant differential existed. It does not appear that up until the end of the First Five Year Plan the planners had precise ideas about the desirable size of the gap. Under the Soviet Union's ideological influence notions about the 'superiority' of the urban worker over the peasant appear to have been allowed to spill over into wages policy producing a quite rapid growth of staff and workers' real incomes over the whole plan period. On the other hand peasant income grew less rapidly than anticipated. The resulting widening of the 'gap' in income between town and countryside added to pressures for in-migration to the cities and caused serious disturbances among the peasantry that received forceful expression during the 'Hundred Flowers' movement in 1957.

Chapter 4. Regional inequality of rural income

Introduction

It might be expected that in any large rural economy considerable income differentials would exist between farmers in different areas. In the first place factor endowment is likely to differ. As population expands over time so farmers are pushed out from more fertile parts with better water supplies and climates to the naturally poorer agricultural areas.⁽¹⁾ It generally is not the case that rural population mobility is such as to produce equal per capita allocations of farm resources in different parts of a country.⁽²⁾ A second consideration is that unequal factor endowment is liable to permit the existence of regional differences in factor productivity, not simply per acre or per unit of capital, but more importantly (in relation to living standards) in terms of output per farmer. This in turn may have cumulative implications through facilitating regional-differentiated rates of investment, which may lead to sharp regional discontinuities in factor productivity if new technology becomes available. A third factor to be considered is marketing. The closer is a particular area to the market the lower will be its transport costs, which may affect both the net income earned on sales to urban areas as well as the price of purchases from urban industry. A fourth element in the situation is the product mix in different areas. Of particular importance is the interaction between urban demands upon the farm sector and the distribution of rural resources: all areas are not equally suited to the production of all types of farm products; moreover, agricultural commodities have unequal price/weight ratios and degrees of perishability.⁽³⁾ The resulting regional differences in product mix contributes to unequal income per acre in different areas of the countryside.

However, there are certain factors that might tend to moderate income differentials between farmers. Where farmwork is carried out extensively by hired labourers (or indeed by serfs) there is a possibility that significant regional variations in their income levels might tend to equalise the income levels among those who run the farms. A more important

equalising factor is the operation of rent relations. It was to this issue that the classical economists devoted much attention. For them the rent charged by landlords per unit of land was equivalent to the surplus-product obtainable on more fertile and/or better-located land over and above that obtainable with a given amount of capital and labour on marginal land.⁽⁴⁾ Differential rent in this view actually becomes a measure of the differences in income obtainable from land of differing qualities and locations relative to the market. Clearly the degree to which landlord/tenant relations exist varies greatly across space and time, and in many cases the 'differential rent' is not taken by the landlord but remains in the hands of farmers.

What is the significance of 'differential rent' for a 'socialist' economy? In the first place it has great importance for the distribution of income, and it is on this that the main focus of attention is directed in this essay. Income distribution in a 'socialist' society normally is based (at least in theory) on the principle 'to each according to their work'. In the state sector this principle can be practised reasonably easily since the state generally takes the major part of surplus-product directly, and equalises incomes, within limits, across areas so that 'equal work' broadly-speaking does tend to receive equal pay: the income of a factory employee tends to depend much more on skill level, intensity of work, and sector of employment, than the region worked in.⁽⁵⁾ However, in the countryside the means of production are held predominantly either in private or collective ownership so that the surplus-product on account of 'differential rent' is not directly appropriated by the state but by the individual or the collective. Consequently, in the absence of countervailing action there is a strong likelihood of considerable differences between areas in the level of income attainable for 'equal work'. This becomes even more important as large supplies of modern capital goods become available, since there is a strong possibility that better-off areas might use part of their 'differential rent' to purchase disproportionately large amounts and so set up a cycle of accumulative advantage and disadvantage between themselves and areas with smaller 'differential rents'.

It should be noted that the existence of 'differential rent' is of importance in a 'socialist' economy for reasons other than its affect on income distribution and these may need to be taken into consideration in deciding the best way to approach the question. For example, failure to

take 'differential rent' into account may affect the pattern of investment by artificially cheapening land-intensive projects.⁽⁶⁾ To obtain a rational specialisation of agricultural production requires a knowledge of relative costs of production in different areas, but such costs include 'differential rent'; in the absence of detailed knowledge of this element the capacity to specialise on a rational basis is correspondingly reduced.⁽⁷⁾ Most importantly, if 'differential rent' is not recognised as a central factor in the creation of regional productivity and income inequalities it may lead to an under stress on subjective factors, such as the level of management or enthusiasm of labour, as the cause of such differences.⁽⁸⁾

There are a number of ways in which the 'socialist' economy might take this into account. The most direct method is for the state to act as 'landlord' and directly extract a rent payment on the use of land by individual households (for privately-operated land) and by collective units. More indirect methods are the use of an income tax and the differentiation of purchase and sales prices by region in compensation for 'differential rent'. It should be noted, however, that measures that compensate for regional differentials in the productivity of land may not have an identical effect on regional income distribution, the latter being dependent also on the distribution per household or per collective of farm resources.

How, then, have the Chinese approached this ticklish issue?

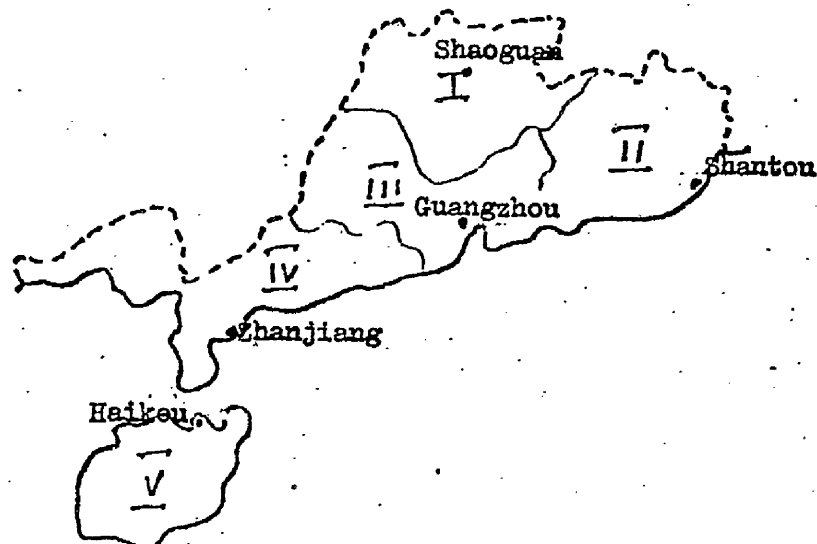
(i) The inherited situation

(a) Natural conditions

In a country as vast as China there are of course huge variations in climatic and soil conditions that have fundamental effect on agricultural production. Even within a single province such as Guangdong there exist important variations of geography. Conventionally the province is divided -- up for analytical purposes into five districts: Northern, Central, and Western districts, and Hainan Island (see Figure 4.1).

Looking at the Central district first, this may be further sub-divided into two areas, and Pearl River Delta and the West River (see Figures 4.1-4.2). The Pearl River Delta occupies pride of place in the centre of the province, taking up about one-third of the area of the Central district.⁽⁹⁾ Situated at the confluence of three major rivers (the East, the West, and the North) it

Figure 4.1 The districts of Guangdong province.



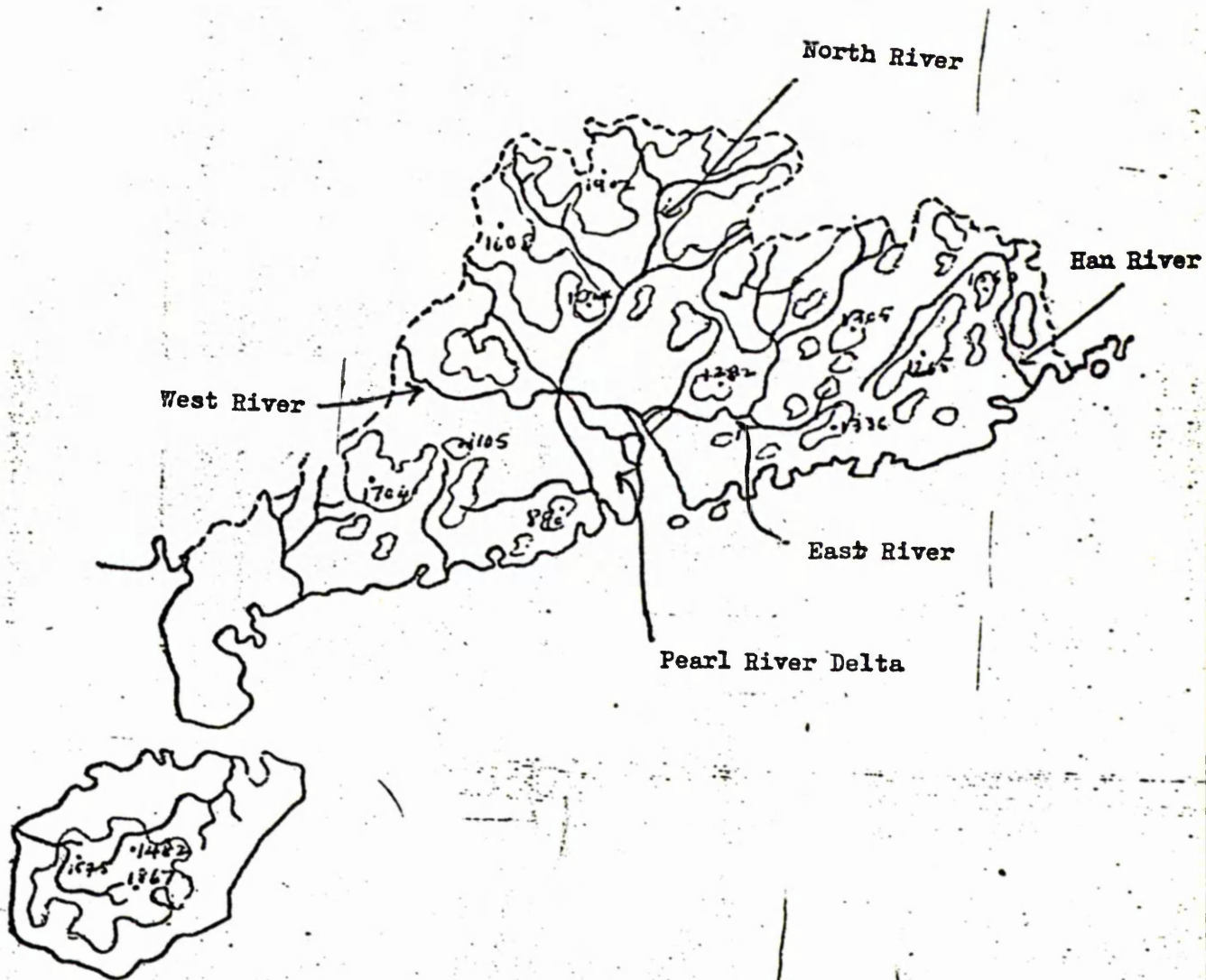
Key

- I Northern Guangdong.
- II Eastern Guangdong.
- III Central Guangdong.
- IV Western Guangdong.
- V Hainan Island.

Source : Liang Ren-cai, Economic Geography of Guangdong, p.111.

Figure 4.2 Topographical map of Guangdong.

Unit : metres.



Key



Over 500 metres.

Note : Boundaries are those of 1974.

Source : Provincial Atlas, p.147.

forms a broad plain criss-crossed with myriads of waterways. Consequently, this area has a plentiful supply of water and the alluvial soil is highly fertile. It is an area well-favoured for agricultural production.⁽¹⁰⁾

The West River segment is less favourably situated. Two thirds of its area is mountainous and plains are found only in the narrow river valleys along the West River and its tributaries.⁽¹¹⁾

The main features of the Eastern district are the two principal rivers, the East and the Han (see Figure 4.2) between which are rolling hills. The district can be further sub-divided into three areas. In the first, the Shan-tou plains, the ground is level, the soil is fertile and the climate warm. Irrigation is convenient and the facilities for water-conservation are excellent. The second area is Xing-ning/Mei xian, located further inland in a northerly position. It has numerous mountain ranges (the highest point is 1560 metres above sea-level), a colder temperature and a shorter growing season than the Shan-tou plains. The soil is poor.⁽¹²⁾ The third section is the East River area, located in the transitional zone between the Pearl and Han River deltas. The land is hilly and there is little level ground. It has inferior water conservation facilities, poor soil, and in the past suffered from extensive natural disasters.⁽¹³⁾

The Northern district encompasses the whole of the North River valley (see Figure 4.1). Most of the northern part of it is mountainous, the maximum height being 1902 metres above sea level. The southerly part is flatter and lower, and has warmer temperatures, with agricultural conditions akin to the Central District. In the North the colder weather leads to crops being planted and harvested at later dates.⁽¹⁴⁾

The Western district has a tropical or sub-tropical climate, with high temperatures all year round and heavy rainfall. Most agricultural crops can be harvested three times a year. The topography is more hilly rather than mountainous. Rivers tend to be short and empty into the sea individually, so that there are no complex deltiac developments as in the other coastal areas of the province. Most of the land has no forest cover and the soil is exposed. Soil erosion is a serious problem and many soils have become hardened. Consequently, the soil tends to preserve little moisture and the district was threatened frequently with flood and drought pre-1949. The threat of drought was especially serious.⁽¹⁵⁾

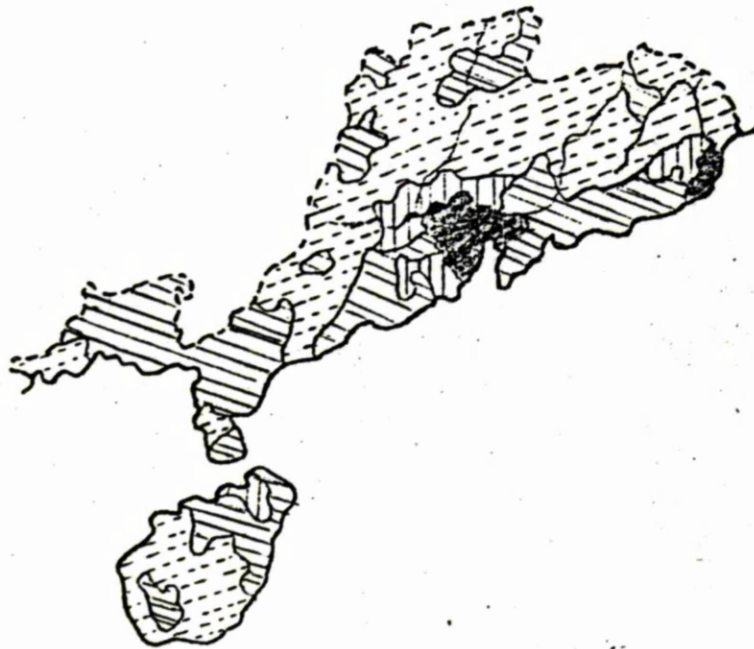
Hainan Island is mostly south of 20°N latitude and so has a truly tropical climate, with farming possible all year round. The average annual rainfall is high (over 1500 mm.) but heavily concentrated in the summer

months. Furthermore, the high temperature cause a high evaporation rate so that crops experience a shortage of water all year round. Most of the rivers are short and swift-flowing, emptying out from the mountainous centre of the island, so that they are not of much benefit to agriculture. (16)

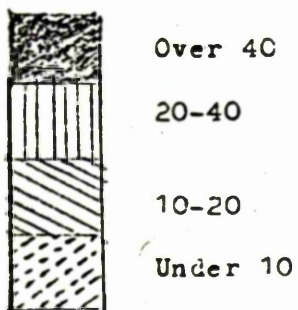
(b) Distribution of land

As might be expected from the foregoing, the distribution of arable land in Guangdong was uneven, with some areas having much higher cultivation ratios than others (see Figure 4.3) though of course the intensity of cultivation would have been affected by population distribution and market relations as well as by natural factors. In the centre of the province, seven xians that occupied the core of the Pearl River Delta and the area immediately surrounding it, in the 1930s all had cultivation ratios (arable area as a percentage of total arable) of between 39 and 80 per cent, compared to the provincial average of only 14.4 per cent. (17) These same seven xian, out of a total of 94 in the whole province at that time, possessed between them over two-fifths of the total provincial arable area. (18) Similarly, the smaller number of xians at the core of the Han River Delta in Eastern Guangdong had cultivated ratios well above the provincial average, falling between 22 and 45 per cent. (19) Out of 17 xians in the Pearl River Delta and its surrounding area only four had cultivation ratios of below 19 per cent, and the average for the whole area was 33 per cent, (20) well over twice the average for the whole province (see above). Of the ten xians in the West River area of the Central district two had cultivation ratios of over 19 per cent (Gao Yao and Si Hui) and these were in the lower reaches of the West River. (21) The average for the area was only 12 per cent. (22) Of the Eastern district's 26 xians, apart from the core xians in the Han River delta, only Hai Feng had a cultivation ratio of over 20 per cent; the average for the whole area was only 12 per cent. (23) The northern mountainous xian in this district nearly all had very low ratios of well under ten per cent. (24) In the Northern district of Guangdong none of the 13 xians had a cultivation ratio of above 20 per cent; the highest was Lian xian with 19 per cent. (25) The average for the whole district was just over ten per cent. (26) Out of the 15 xians included in the Western district, none had cultivation ratios above 20 per cent; the highest was Sui Xi with 19 per cent. (27) The average for the whole district was again below eleven

Figure 4.3 Density of farmland in Guangdong.



Key : farmland as per cent of land area.



Source : Liang Ren-cai, Economic Geography of Guangdong, p.109.

per cent.⁽²⁸⁾ On Hainan Island, Qiong Shan xian in the most-favoured northern part of the island had a cultivation ratio of 22 per cent, but nine of the remaining twelve xians had ratios of less than ten per cent (five with ratios of less than five per cent).⁽²⁹⁾

The capacity to undertake multiple-cropping is to a significant degree determined by factors other than natural conditions. However, natural conditions clearly play an important part. In view of the foregoing considerations it is unsurprising to find considerable regional variation in the traditional rural economy of Guangdong in the degree of intensity of use of arable land. This province had developed over the centuries a relatively intensive use of its available farmland: in 1955 it was reported that only 28 per cent of the total arable area was single-cropped, and over 70 per cent double- or triple-cropped.⁽³⁰⁾ The distribution of single-cropped land was concentrated strongly in certain areas: out of a total of 7 m.mou of single-cropped rice in 1955, 65 per cent was in Hainan and Northern Guangdong.⁽³¹⁾ In the latter area it was principally located in the northerly mountainous part.

Closely-related to the distribution of multiple-cropped lands is the distribution of irrigation facilities. Irrigation ratios varied considerably from area to area before 1949, as Buck's survey data from this province revealed:⁽³²⁾

Table 4.1 Proportion of crop area irrigated in different xians in Guangdong province, 1929-33

<u>xian name</u>	<u>Location</u>	<u>%</u>
Chao An	Han River Delta, E. Guangdong	25
Feng Shun	Tributary of Han River, E. Guangdong, hilly area	96
Gao Yao	West River, Central Guangdong	65
Jie Yang	Han River Delta, E. Guangdong	30
Mao Ming	S.W. Guangdong	60
Nan Xiong	N. Guangdong, mountainous area	45
Qu Jiang	North River, N. Guangdong	90
Xing Ning	Northern area, E. Guangdong	80
Zhong Shan	Pearl River Delta, Central Guangdong	100
Zi Jin	Between Han River and East River, hilly area, E. Guangdong	90

It should be noted, however, that for making detailed comparison between xians the usefulness of the Buck data is reduced by the small size of the samples (100 farms in each locality).⁽³³⁾

(c) Distribution of agricultural population

As would be expected the distribution of agricultural population was unequal also, with the largest concentration in the areas with the greatest availability of cultivable land (see Table 4.2 and Figure 44). By far the greatest concentration in the 1930s was in the Pearl River Delta area, with an average almost twice that of the whole province. Further, within that area, seven xians alone contained 26 per cent of the total number of peasant households in the whole province; they had an average of 144,300 in each.⁽³⁴⁾ While the size of xians varied considerably from under 1000 sq. kms. to more than 7,000 sq. km., most fell within the range of 1500 to 4000 sq. km., as indeed did these xians with particularly large farm populations; their average size was only 2000 sq. km.⁽³⁵⁾

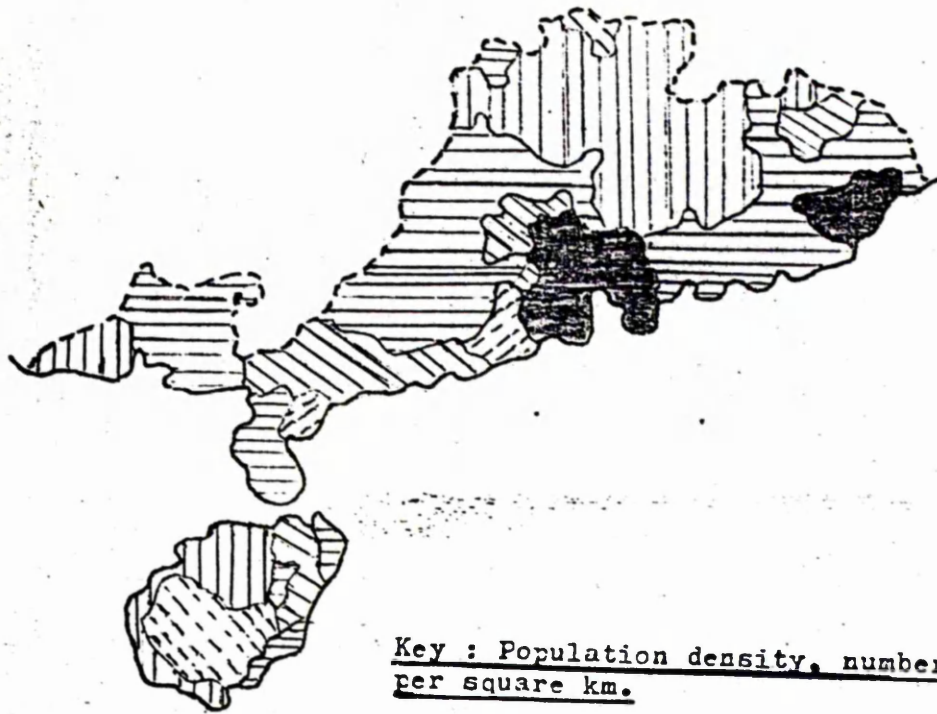
What then was the outcome of the distribution of farmland in relation to agricultural population? Was some semblance of equality achieved in the amount of farmland per farmer, or did big differences exist? At first glance it does appear that population and available farmland adjusted quite closely to each other: the average amount of farmland available per peasant household in the different parts of Guandong province in the 1930's were:-⁽³⁶⁾

	<u>mou</u>	
All Guangdong	= 10.8	(94 xian)
Central district	= 10.3	(27 xian)
Eastern district	= 9.4	(26 xian)
Northern district	= 15.0	(13 xian)
Western district	= 10.7	(15 xian)
Hainan Island	= 14.2	(13 xian)

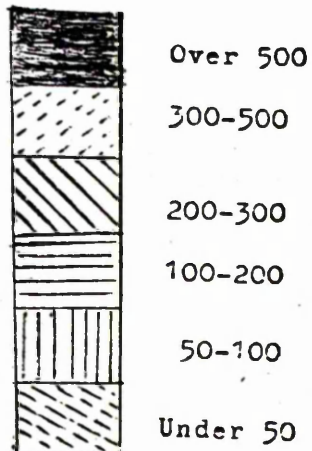
There is a tendency for the more sparsely-populated parts of the province (see Table 4.2) to have more advantageous land-person ratios, but clearly across broad regions some rough adjustment appears to have taken place between farm population and farm land.

However, on a closer inspection this is seen to be misleading, since within each district large variations existed (see Table 4.3).⁽³⁷⁾ For example, within the Pearl River Delta itself, the average varied from 4.7 mou per farm household [nong-ye-hu] in Shun De xian, to 27.3 mou in Zeng Cheng xian (just to the east of the delta proper). Similar variations

Figure 4.4 Population distribution in Guangdong, 1953.



Key : Population density, number of people per square km.



Source : Liang Ren-cai, Economic Geography of Guangdong, p.107.

Table 4.2 Average number of peasant households [nong-ye-hu] per xian
in different parts of Guangdong province in the 1930's.
 (Unit: '000s households)

<u>Area</u>	<u>No.</u>
All Guangdong (94 xians)	39.2
Central District (27 xians)	62.0
of which: Pearl River Delta and immediately- surrounding area (17 xians)	74.3
West River area (10 xian)	41.1
Eastern District (26 xians)	38.1
Northern District (13 xians)	25.6
Western District (15 xians)	39.1
Hainan Island (13 xians)	21.5

Source: Guangdong Economic Yearbook for 1940, quoted in Lin, The Kwantung Peasant Economy, 1875-1937, Appendix II.

Notes: For specification of the xians included in each of the above areas see Notes (20), (21) (24), (25), (27), and (29) of this chapter.

Table 4.3 Average amount of land available per household in xians in different parts of Guangdong province in the 1930s (Unit: mou)

<u>Central district</u>		<u>Eastern district</u>	
<u>(i) Pearl River delta and surrounding area</u>	<u>(ii) West River area</u>		
Zeng Cheng 27.3	Gao Yao 12.2	Bo Luo 28.2	
Gao Ming 21.5	Si Hui 11.5	Wei Yang 16.2	
San Shui 17.4	Kai Jian 9.4	Hai Feng 15.6	
Nan Hai 16.6	De Qing 9.2	Lu Feng 14.9	
Chi Xi 14.6	Yu Nan 8.1	Mei xian 14.3	
En Ping 14.2	Luo Ding 8.1	He Yuan 13.3	
Zhong Shan 13.6	Xin Xing 7.1	Nan Ao 10.2	
Hua xian 12.7	Feng Chuan 7.0	Chao An 10.2	
Fan Yu 10.3	Guang Ning 5.4	Da Pu 10.0	
Xin Hui 10.0	Yun Fou 5.3	Wei Lei 9.2	
Bao An 9.6		Chao Yang 8.7	
Tai Shan 9.5		Jiao Ling 8.5	
Dong Guan 9.0		Xin Feng 8.2	
Kai Ping 8.3		Jie Yang 8.0	
He Shan 7.8		Zi Jin 7.9	
Zong Hua 7.7		Long Chuan 7.7	
Shun De 4.7		Long Men 7.5	
		He Ping 6.9	
		Wu Hua 6.8	
		Ping Yuan 6.7	
		Cheng Hai 5.9	
		Xing Ning 5.8	
		Lian Ping 5.8	
		Yao Ping 4.6	
		Pu Ning 4.3	
		Feng Shun 3.1	
<u>Northern district</u>		<u>Western district</u>	
Nan Xiong 22.5	Sui Xi 19.9	Qiong Shan 28.6	
Qu Jiang 21.7	Xu Wen 19.2	Le Hui 25.4	
Lian Shan 17.9	Qin xian 19.2	Qiong Dong 18.4	
Qing Yuan 16.5	Fang Cheng 16.9	Dan xian 18.2	
Lian xian 16.1	Wu Chuan 16.6	Ding An 16.1	
Ren Hua 14.6	Yang Jiang 14.3	Ling Shui 13.9	
Yang Shan 13.9	Hua xian 13.4	Lin Gao 12.9	
Ying De 11.9	Mao Ming 13.0	Wen Chang 12.6	
Le Chang 11.0	Yang Chun 13.0	Gan En 11.3	
Ru Yuan 9.7	He Pu 11.2	Ya xian 9.0	
Shi Xing 8.9	Ling Shan 10.4	Cheng Mai 5.5	
Fo Gang 7.7	Hai Kang 9.8	Wan Ning 4.7	
Weng Yuan 7.6	Dian Bai 8.0	Chang Jiang 4.1	
	Liang Jiang 7.9		
	Xin Yi 4.6		
		<u>Hainan Island</u>	

Source: Guangdong Economic Yearbook for 1940, quoted in Lin, The Kwangtung Peasant Economy, 1875-1937, Appendix II.

Table 4.4 Arable area per peasant in Northern Guangdong 1956.(Unit: mou per capita) (per household figures in brackets)⁽¹⁾Shao Guan municipality,
suburban area.

Xi Xiang APC	1.6 (6.7)
Nan Xiang APC	2.3(11.3)
Dong Lian APC	3.2(15.7)
Bei Xiang APC	1.7 (6.6)

Qu Jiang xian, Ma Ba qu.

Ma Ju APC	2.0 (8.8)
Shi Bao Yi APC	2.6(12.4)
Xiao Keng Yi APC	2.3 (5.6)

Qing Yuan xian, Yuan Tan qu

Tuan Jie APC	2.4(11.6)
Xing Lian APC	1.7 (6.4)
Jing Xing APC	2.5 (9.7)

Qing Yuan xian, area
unspecified

Shi Ban APC	3.1(14.5)
Tai Yang Sheng APC	3.7(15.7)
Nan Xing APC	1.6 (5.9)

Source: Peng Xiao-fan, 'One cannot speak nonsense, saying that the peasants' living standards have not improved', NFRB, 25th June 1957.

Table 4.5 Average amount of cultivated land and paddy rice field per capita in RPCs in Fo Gang xian, Guangdong province, 1978
(Unit: mou per capita)

RPC name	Cultivated land	Paddy field
Long Nan	1.10	0.92
Shi Jiao	0.97	0.83
Yan Ling	0.96	0.77
Min An	0.94	0.82
Long Shan	0.92	0.83
San Ba	0.92	0.77
Gao Gang	0.91	0.79
Jin Tou	0.83	0.68
Shui Tou	0.79	0.69
Si Jiu	0.75	0.69
Tang Tang	0.74	0.65
Huang Hua	0.49	0.39

Source: data provided to Queen Elizabeth House, Oxford, China Study Group, June 1979.

are found within each of the other broad districts, but there is no clear pattern behind the variations in terms of obvious geographical influences. In the Eastern district, for example, one finds within the mountainous northern part great variations between xians apparently in very similar types of area: the neighbouring xians of Mei xian and Xing Ning, for example, in the 1930's had an average amount of farmland per household (peasant) of 14.3 mou and 5.8 mou respectively.

It appears that at the local level, within xians, or within districts (qu) within xians the homogeneity of land/person ratios inherited by the post-1949 government was greater than across wider areas, though absolute equality was far from achieved. For example, within the suburban area of Shao Guan municipality in Northern Guangdong out of four APC's surveyed, in 1956 all fell within the range of 1.6 to 3.2 mou per peasant (see Table 4.4). Within each of two districts (qu) surveyed at the same time the range of variation between APC's appears to have been very small (see Table 4.4). Data from the late 1970s leads support to this, showing that within a single xian the great majority of APC's fell with a very narrow band of arable land per person (see Table 4.5). Naturally, the delineation of boundaries must have played a role in influencing local differentials in land/person ratios, but unless these institutions assumed bizarre shapes they would be able to affect the ratios only up to a certain point.

(d) Distribution of capital

Up until the late 1950s the supplies of 'modern' inputs to Guangdong agriculture were negligible so that the prime interest in respect to the inherited situation is the distribution of 'traditional' inputs. Information on the regional pattern of distribution of equipment such as hoes, rakes, ploughs, etc. is virtually impossible to obtain, but some picture can be produced of the situation in respect to draft animals and pigs, the latter being a critical 'input' via supplies of organic fertiliser.

The Central and Eastern districts possessed between them over 45 per cent of the inherited stock of draft oxen (see Table 4.6). However, in view of the dominance of these areas in terms of the total amount of farmland, this is hardly surprising. The most favoured areas in respect to the balance between animal power and farmland were the Northern district and Hainan Island, with the Western and Central District much less

well-placed (see Table 4.6). It appears that areas that had a relatively large amount of farmland per person also had a relatively large supply of animal power. The larger amounts of farmland per person in such areas made compensating supplies of animal power necessary; possibly also the areas more distant from the major markets may have tended to develop a more 'extended' style of farming due to the lesser tendency to use land for intensive commercial farming in which the opportunity-cost of using it to support labour animals accordingly was less than in the areas closer to the large markets. The lower value of land less favourably positioned appears, then, to have affected the character of the methods of cultivation in respect to the balance between human and animal labour power.

Table 4.6 Distribution of draft oxen in Guangdong province, 1953

Area	Farmland per able-bodied draft oxen (mou)	Proportion of total number of draft oxen (%)
Central district	21.9	22.8
Eastern district	17.5	20.5
Northern district	15.6	14.9
Western district	24.0	17.5
Hainan Island	11.6	15.5
All Guangdong	16.9	100.0

Source: Liang Ren-cai, Economic Geography of Guangdong, p. 33.

The distribution of total pig numbers per household appears at first glance to have been fairly even between different parts of Guangdong province; Hainan Island had about thirty per cent above the provincial average and Gao Yao S.D. about 28 per cent below it, but the rest of the S.D.s fell within a fairly narrow range (see Table 4.7). Within each S.D., however, there were considerable regional variations in the numbers per household, with the ratio of the highest to the lowest xian ranging from 1:2.45 in the Western district to 1:4.54 in the Eastern and Northern districts.⁽³⁸⁾ In the case of the Central and Eastern districts there is a clear pattern, with higher numbers per household in the delta areas and lower numbers in the upland non-deltiac areas. For example, the average per household in the Pearl River Delta xian in 1958 ranged from

Table 4.7 Distribution of pigs in Guangdong province, 1958

<u>Area</u>	<u>Total No.(m.)</u>	<u>Pigs per farm</u> <u>household</u>
All Guangdong	12.192	1.59
Hainan Island	1.330	2.08
Zhan Jiang S.D.	2.243	1.66
Hui Yang S.D.	1.738	1.64
Shan Tou S.D.	2.297	1.61
Fo Shan S.D.	1.831	1.57
Shao Guan S.D.	1.046	1.51
He Pu S.D.	0.707	1.50
Guangzhou municipality	0.136	1.21
Gao Yao S.D.	0.863	1.15

Source: 'Comparative statistics on pig-rearing in Guangdong', NFRB,
31st May 1958.

1.4 to 2.3, while in the West River xians, the average ranged from 0.9 to 1.5.⁽³⁹⁾ In the xians on the Shan Tou Plains and the Han River Delta the average per household was between 1.4 and 3.2, while in the mountainous and semi-mountainous xians the average dropped to between 1.0 and 1.7.⁽⁴⁰⁾ This suggests tentatively that the possible larger amounts of fodder in the lowland areas may have been a causative factor in explaining differences. However, the picture is confused by the pattern in other parts of the province. For example, in the more fertile southern xians of the Northern district pig numbers per household generally were below those in the mountainous xians where numbers varied widely.⁽⁴¹⁾ In both Hainan and the Western district there was a large variation between xians in pig numbers per household, but with no apparent pattern.⁽⁴²⁾

(e) Output per unit of farmland

In view of the foregoing discussion on the distribution of land and farm inputs it would be expected that the post-revolutionary regime would inherit some important differences in yields per acre. Most data for yields by xian relate to those with high yields, since these were examples towards which other areas were to look for their model of how to improve yields. For example, the data for Eastern Guangdong from the mid-1950s relate largely to the highly successful '1000 jin' xians (see Table 4.8). However, even allowing for the paucity of data, the information in Table 4.8 does illustrate vividly the great range of per unit area yields inherited from pre-1949: at one extreme are the '1000-jin' xians of the Han River delta and the other there is the Li-Miao Autonomous People's Zhou on Hainan Island with less than 200 jin per mou. A good idea of the broad regional differences in grain yields per mou can be from the draft (revised) plan for agricultural construction from 1956 to 1967. Its plan was that by 1962 the difference in average grain yields⁽⁴³⁾ per mou would be⁽⁴⁴⁾:

		<u>jin</u>	<u>index</u>
Shan Tou S.D.	=	980	196
Fo Shan S.D.)		
Guangzhou suburbs) =	790	158
Shao Guan S.D.)		
Hui Yang S.D.) =	700	140
Gao Yao S.D.)		
He Pu S.D.)		
Zhan Jiang S.D.) =	620	124
Hainan Island	=	500	100

Table 4.8 Grain output (whole year) per mou in different parts of Guangdong province, mid-1950s (Unit: jin)

<u>Area</u>	<u>Year</u>	<u>Grain(liang-shi)</u>	<u>Rice(dao-gu)</u>
All Guangdong	1956	480	-
<u>(i) Central district</u>			
Bo Luo xian	1956	300+(approx.)	-
Cong Hua xian (1 APC)	1954	336	-
Xin Hui xian	1956	-	660
Zhong Shan xian	1956	-	580(approx.)
<u>(ii) Eastern district</u>			
Chao An xian	1956	1157	-
Chao Yang xian	1956	1000	-
Cheng Hai xian	1956	1100(approx.)	-
Jie Yang xian	1956	1020	-
Pu Ning xian	1956	1000	-
Rao Ping xian	1956	959	-
<u>(iii) Northern district</u>			
Lian Ping xian	1956	560+(approx.)	-
Lian Shan xian	1956	-	388
Xin Feng xian	1956	-	313
<u>(iv) Western district</u>			
Zhan Jiang S.D.	1956	-	200
Mao Ming xian	1955	140(+)	-
Hai Kang xian (1 xiang)	1954	-	170
Xu Wen xian	1955	422(max)	164
<u>(v) Hainan Island</u>			
Cheng Mai xian	1954	260(approx.)	-
Li-Miao Autonomous zhou	1956	177	-

Source: Appendix D, Table 5.

It is unlikely that the planned differentials for 1962 were wider than the actual differentials of the mid-1950s,⁽⁴⁵⁾ so that it might be assumed safely that the inherited differentials in yields per mou were at least as large as these.

(f) Output per person

It is the synthesis of the preceding conditions regarding allocation of land, rural population, and traditional capital, that is especially important for understanding the relationship between farm output and farmers' living standard. As Tawney noted in 1932:

'(I)n the case of rice, where [China's] traditional methods are seen at their best, the output per acre is surprisingly high ...; but the output per worker is invariably low. It is the latter, not the former that determines the standard of life of the agricultural population. Prosperity is a condition, not of acres, but of human beings.'⁽⁴⁶⁾

Regrettably, the author has not been able to construct an extensive picture of the kind that would link these questions in a complete fashion.

In his monumental study of the Chinese farm economy in the early 1930s J.L. Buck attempted to accomplish precisely this. While the data are restricted in their geographical coverage, they are most suggestive. They show that unequal factor endowment in terms of farm size, labour inputs, animal inputs, and capacity to multiple crop coalesced in important regional inequalities in total physical product per person in different parts of the countryside even within a single province such as Guangdong (see Table 4.9). The area with the highest productivity per worker was by far the Pearl River delta, with the level in Zhong Shan xian over two and a half times as great as that in Jie Yang xian in the Eastern district, while Gao Yao xian, on the Western fringe of the delta also had a level well above that of other parts of the province. However, the main interest of the Buck data is that it indicates the wide range that existed rather than in enabling a precise regional map of productivity per farm worker to be drawn.

Useful national level data were produced on this issue in China in the 1950s (see Table 4.10). They showed that Central and South China were at a severe disadvantage in relation to the amount of land per farm household, the North East having almost four times the amount in South

Table 4.9 Distribution of farm resources, and output obtained from them in seven xians in Guangdong province, 1929-1933.

Item	Unit	Chao An xian	Zhong Shan xian	Jie Yang xian	Gao Yao xian	Qu Jiang xian	Mao Ming xian	Nan Xiong xian
Mean farm size: sown area	ha.	0.68	2.85	0.74	2.41	2.07	1.86	1.70
Index of multiple-cropping	index(%)	153	195	159	193	191	197	166
'Man-equivalents' per farm	No.	1.9	2.3	2.8	2.2	3.2	2.8	2.1
Sown area per 'man-equivalent'	ha.	0.52	1.26	0.26	1.12	0.65	0.67	0.79
Labour animal units per ha. of sown area	No.	0.63	0.39	1.22	0.68	0.83	1.09	0.93
No. of persons per household	No.	6.7	5.5	7.2	4.9	6.4	7.6	5.5
Output of 'grain-equivalent' per man-equivalent	Kgs.	1051	1922	777	1478	1328	1084	1081
	index	135	247	100	190	171	140	139

Source: Buck, Land Utilisation in China, Vol. 3. (Statistics), pp. 286, and 297-301.

Notes: Location of xians:- Chao An: Han River delta
 Zhong Shan: Pearl River delta
 Jie Yang: Han River delta
 Gao Yao: West River, lower reaches
 Qu Jiang: North River, semi-plain, semi-mountainous.
 Mao Ming: Western district, southern plain
 Man Xiong: Northern district, mountainous area.

'Grain-equivalent': all farm products are converted into their equivalent in grain. All food grains were considered approximately equal in food values, and other products converted into grain-equivalent on the basis of the amount of the most usually consumed grain of the locality that the product would buy (Buck, Land Utilisation in China, Vol. 1 (Text). pp. 279-280).

'Man-equivalent': this measures the number of workers in terms of the equivalent of one person doing the work for a period of twelve months (ibid., p. 475).

Table 4.10 Inequality of resources, output and income in the Chinese countryside,⁽¹⁾ 1957

Item	Unit	North-West and Inner Mongolia ⁽²⁾	North East ⁽³⁾	Central China Plain ⁽⁴⁾	South China ⁽⁵⁾
Average amount of arable land per household	mou index	30 333	34 378	13 144	9 100
Average number of labour days worked per labourer	no. index	137 75	142 78	146 80	183 100
Average number of labour days worked per mou of collective land	no. index	6 19	8 26	18 58	31 100
Grain output per mou (including soya)	jin index	137 40	146 43	189 55	343 100
Gross income per mou of arable land	yuan index	18.9 49	16.5 43	29.4 77	38.4 100
Net income ⁽⁶⁾ per mou of arable land	yuan index	11.8 49	9.4 39	17.0 70	24.2 100
Value of labour day	yuan index	1.07 195	1.18 215	0.66 120	0.55 100
Gross income per capita	yuan index	120 146	111 135	90 110	82 100
Net income ⁽⁶⁾ per capita	yuan index	75 144	63 121	52 100	52 100

Source: Statistical Investigation Publishing House, 'Investigatory materials on distribution of income in 228 agricultural co-operatives in 1957', XHBYK, No. 18, 1958.

- Notes:
- (1) A survey of 228 APCs, incorporating 2,796 production brigades, and 76,749 households.
 - (2) Incorporating Gansu and Qinghai provinces, Tibet and Inner Mongolian Autonomous Regions (34 APCs).
 - (3) Incorporating Liaoning, Jilin, and Heilongjiang provinces (31 APCs).
 - (4) Incorporating Hebei, Shanxi, Shenxi, Shandong, and Henan provinces, and Jiangsu and Anhui provinces north of the Huai River (56 APCs).
 - (5) Incorporating Jiangsu and Anhui provinces south of the Huai River, Zhejiang, Fujian, Jiangxi, Hubei, Hunan, Guangdong, Guangxi, Sichuan, Guizhou, and Yunnan provinces (107 APCs).
 - (6) Net income = gross income minus, taxes, production expenses, administrative expenses, and other expenses.

Table 4.11 Grain output per farm household (nong-ye-hu) in Guangdong province, 1956-1958

Area	Location	Grain of which:-	
		(liang-shi)	Rice(dao-gu)
All Guangdong	-	3261	n.a.
Fo Shan S.D.	Pearl River delta	3670	3530
Zhan Jiang S.D.	Western district	2940	1990
Hui Yang S.D.	Parts in each of Central Northern and Eastern districts	n.a.	2920
Shao Guan S.D.	Northern district	3180	2740
Hainan Island	-	2800	n.a.
He Pu S.D.	Western district	2810	n.a.
Gao Yao S.D.	Parts in each of Central, Northern, and Western districts	n.a.	n.a.
Shan Tou S.D.	Eastern district		

Sources: 'Comparative statistics on pig-rearing', Appendix B, Table 11, and Appendix D, Table 9.

Notes: Grain output for 1956, farm household figures for 1958.

China. However, in South China a much greater amount of labour days were worked per unit of arable land (five times the amount in the North West and Inner Mongolia). Despite the much greater amount of labour per mou in the South (in part due simply to the fact that each labourer worked more than in the rest of China), the income per mou did not increase in direct proportion: while in South China five times as many labour days were worked per mou as in North China, income per mou was only about twice as high. Consequently, the worker in South China earned much less per labour day than in Northern China, and despite working more days per year, per capita income remained thirty to forty per cent higher in North than in Central and South China.⁽⁴⁷⁾

Regrettably, such data were not produced after 1949 (to the author's knowledge) to analyse differentials in productivity within individual provinces. However, a rough proxy measure is given by data on grain output per farmer. In Guangdong, for example, in the mid-1950s there were some important differentials in grain output per farm household between S.D.'s. Output per household in the Fo Shan S.D. which covered a large part of the Pearl delta was approximately one-third higher than the level on Hainan Island and in the He Pu S.D. in the far West of the province, and was significantly above the provincial average (see Table 4.11). Moreover, as will be seen later in this chapter, it was the Pearl River Delta area that in general inherited the highest level of output per farmer of most important items other than grain. Within each S.D. the differences in output per farmer could be considerable so that the range of variation was large. At one end of the spectrum lay the Pearl River Delta xians such as Xin Hui and Zhong Shan, with average per peasant output of grain in 1956 over 1000 jin, while at the other end lay mountainous xians such as Mei xian with only 540 jin per peasant.⁽⁴⁸⁾

(g) The location of markets

Guangdong was a highly-urbanised province by the standards of China immediately after the revolution; about 6.4 million people or eighteen per cent of the total population lived in urban areas in 1953.⁽⁴⁹⁾ In respect to large towns and cities which played a strong role in stimulating the development of specialised farm production, the Pearl River delta and its immediately surrounding area was massively dominant. It contained Guangzhou, Hong Kong, Fo Shan, Jiang Men, and Shi Qi, whose sizes respectively in 1953 were 1.6 m., 'over 1 m.', 120,000, 90,000, and

93,000.⁽⁵⁰⁾ The Eastern district possessed only two large towns, Shan Tou (Swatow) and Chao Zhou, containing respectively around 200,000 and 100,000 inhabitants in 1953.⁽⁵¹⁾ The only large town in the Northern district was Shao Guan (around 80,000 in 1953).⁽⁵²⁾ In the Western district there were Zhan Jiang (160,000 in 1953) and Bei Hai (80,000 in 1953),⁽⁵³⁾ while Hainan Island had only one large town Hai Kou (135,000 in 1953).⁽⁵⁴⁾ Even excluding Hong Kong, the Pearl River delta and its immediately surrounding area had over 70 per cent of the population of Guangdong province who lived in large towns of over 80,000 people.

There were more than 3,000 smaller market towns scattered more evenly throughout the provinces, presumably with roughly the same distribution as total population (see Appendix D, Figure 4). The densest population was on the Pearl River delta (600 per sq. Km.) and Han River delta (500 per sq. Km.).⁽⁵³⁾ Along the Southern Mao Ming plain (running Westward from the Pearl River delta) there were individual xians which had 300 or more people per sq. Km. (Xin Hui, Kai Ping, En Ping, and Mao Ming).⁽⁵⁶⁾ Other areas of relatively dense population (200-300 per sq. Km.) were located in the border area of the Pearl River delta (e.g. He Shan, San Shin, Gao Yao, and Hua xians), and some of the coastal xians (e.g. Yang Jiang, Dian Bai, Lian Jiang, He Pu, and Qiong Shan).⁽⁵⁷⁾ Over most other parts of Central Guangdong population density in 1953 was in the region of 100-200 per sq. km. and in most of Northern Guangdong dropped to 50-100 per sq. Km. (see Figure 4.4). The only large area in which population density went below 50 per sq. Km. was Central Hainan Island (see Figure 4.4).

Strongly related to the distribution of urban population was industrial production. Heavy industry played a relatively small role in Guangdong's inherited industrial structure, and despite its more rapid growth, even at the end of the First Five Year Plan Guangdong's industrial structure remained dominated by the light industrial sector.⁽⁵⁸⁾ A large proportion of light industry processed agricultural produce, with food products alone amounting to about one-half of the total value of industrial production in the mid-1950s.⁽⁵⁹⁾ Industrial production was strongly concentrated in and around the Pearl River delta: Guangzhou alone produced over 38 per cent of the total value in 1957, while the Fo Shan S.D. (including a large part of the delta) produced over 18 per cent. Industrial production was even more concentrated than agricultural population, so that the farm economy received a greater 'stimulus' per person in the

Pearl River delta area than in other parts of the province: Guangzhou and the Fo Shan S.D. between them produced 57 per cent of the total value of the province's industrial production in the 1950s yet they contained only 17 per cent of the province's agricultural households (see Table 4.12). In the West of the province the He Pu and Zhan Jiang S.D.'s between them contained only 8.4 per cent of the value of industrial production, but 24 per cent of agricultural households lived there (see Table 4.12).

While it is true that the heavy industries probably were even more concentrated in the centre of the province, the degree of regional concentration in industries directly linked to agriculture was high also. The most important single industry at the time of the revolution was sugar production, the main centre of which was the Pearl River delta. Out of eight large state-operated sugar refineries in the province in 1957, the six largest all were located in the delta area, as were most of the 60 medium and small state refineries. Silk had been an important industry in the province before 1949 though it had been affected seriously by foreign competition since the early 1920s. Again the main centres of production were in the Pearl River delta xians, with Shun De, Nan Hai, and Dong Guan, the main centres of production, and He Pu in the West ranking next in importance. Even factory rice-milling was strongly concentrated. While 85 per cent of xians and municipalities in the province were said by 1957 to have set up rice-milling factories, 45 per cent of the output was located in the Pearl River delta area. Machine-pressed oil was more widely dispersed: in addition to Guangzhou the main production centres in the 1950s were Zhan Jiang, Wen Chang on (Hainan Island), and Wu Quan (in Western Guangdong). Native oil presses were distributed relatively evenly throughout the province. Fruit-canning was located near the main production centres, so that as well as Guangzhou there was a substantial canning industry at Shan Tou and Hai Kou municipalities.⁽⁶⁰⁾

A full account of the reasons for the inherited pattern of urban and industrial development in Guangdong province is beyond the scope of this essay. It is, however, clear that its relationship to the distribution of farm resources is both close and complex. On the one hand, the natural richness of agriculture in the Pearl River delta area assisted the development of urban centres with industrial production. This was facilitated through the existence of a farm surplus that could supply the food and raw material needs of the towns and cities of the area.

Table 4.12 Relationship between the distribution of farm households and the distribution of industrial production in Guangdong province in the 1950s. (%)

Area	Value of industrial output in 1957(1)	Distribution of agricultural households in 1958(2)
All Guangdong	100	100
Guangzhou	38.2	1.5
Fo Shan S.D.	18.2	15.2
Hui Yang S.D.	8.6	13.8
Gao Yao S.D.	3.1	9.8
Shao Guan S.D.	4.5	9.0
Shan Tou S.D.	13.9	18.6
Zhan Jiang S.D.	6.6	17.6
He Pu S.D.	1.8	6.1
Hainan Island	4.9	8.3

Sources: (1) Liang Ren-cai, et al., Economic Geography of South China, p. 88

(2) 'Comparative statistics on pig-rearing in Guangdong'.

However, urban and industrial development proceeded also for reasons not directly connected with the agriculture of the surrounding area. For example, a key factor in the rise of Guangzhou is its location relative to the rest of China and relative to the outside world which permitted it to become a major port linking internal and external trade: it was the main port in the ancient trade with the Arab world; from the late 18th century until the 1840s it was the only port through which trade with foreigners was permitted, and in the late 19th and 20th centuries it was a major centre for Sino-Western Trade. Urban and industrial development in turn stimulated an increased intensity of cultivation in nearby areas, making it worthwhile cultivating land of a given natural fertility more intensively than it would have been cultivated in more remote parts of the province.

Of particular significance in stimulating agricultural change was the forcible opening up of China to trade with the industrialised nations from the mid-19th century onwards. Guangdong had long contained centres of commercial agriculture, but they quickly rose in importance under the impact of increased foreign demand after the opium wars.⁽⁶¹⁾ Rapid expansion took place in the cultivated area of such important crops as sugar cane and mulberry/silk, and of less important ones, notably tea, tobacco and peanuts. While the fortunes enjoyed by the newly expanded economic crops fluctuated greatly, their enlarged importance brought lasting structural change to the rural economy of Guangdong.⁽⁶²⁾ It has been argued convincingly that expansion of the commercial crop area in the face of near stagnation in the total cultivated area exacerbated the food supply situation which already was deteriorating due to the growth of population.⁽⁶³⁾ During the late Qing and Republican period imports of grain from outside the province (both from within China and overseas) greatly increased; whereas in the late 1870s and early 1880s they averaged around 250 m. jin per year, in the 1920s and 1930s they stood at more than 800 m. jin in most years, and at their maximum (in 1933) reached 2017 m. jin.⁽⁶⁴⁾ It is likely that the development of economic crop production in Guangdong was to a significant degree at the expense of land used for growing grain with an increased reliance on external sources of grain supply a direct consequence.

The differential impact of access to markets operates only to the degree that transportation costs exist. Such costs did indeed exist and greatly limited the nature of trade. The most expensive form of transport

was overland with traditional means (see Table 4.13). Prior to the steam-boat and railway this effectively eliminated low-price, bulky goods from long-distance trade: grain, for example, when carried on the back of a pack animal, cost as much to transport 200 miles as it did to grow it in the first place.⁽⁶⁵⁾ Transport by junk along easily-navigable waterways was less expensive (see Table 4.13). However, even a mark-up of a few tens of per cent is not negligible, and in a pre-modern society with few economies of scale, even the lower transport costs by junk for most commodities quickly gave the advantage to local commodities once any distance had been covered. Another factor to consider was price/weight ratio, and in this respect it was the high value luxury goods, such as tea, silk and precious metals (tea was four to five times as expensive per unit as grain in traditional China), that made them more suitable for trade over long distances.⁽⁶⁶⁾ The main elements of pre-modern long-distance trade, then, were luxury goods and a small number of essential commodities (e.g. salt, sugar) the production of which was limited by geographical conditions to certain areas. The bulk of traditional farm marketing occurred within a radius of a few tens of miles of the point of production; more distant trade, prior to 1900, amounted to around one-fifth to one-third of the level of such local sales.⁽⁶⁷⁾ The rise of modern transport helped reduce transport costs below even those of junks (see Table 4.13)⁽⁶⁸⁾ as a result, the twentieth century witnessed a considerable rise in the share of marketed produce entering long-distance trade: by the 1950s Perkins estimates that about one-half of marketed produce was going into such trade.⁽⁶⁹⁾

Compared to many provinces the post-revolutionary government of Guangdong inherited a relatively advantageous situation. It has the longest coastline of any Chinese province, with over one-third of the xians and cities facing the sea, and in consequence had four major ports (Huang Bu, the outport of Guangzhou, Zhan Jiang, Shan Tou, and Hai Kou) and many minor ones.⁽⁷⁰⁾ In addition the province has an extensive river system centred on the West, North, and East River flowing together into the Pearl River delta in the centre of the province.⁽⁷¹⁾ The whole Pearl River system has about 9000 Km. of navigable waterways, of which about only one-third is navigable by motor vessels.⁽⁷²⁾ However, the West River and the delta itself are more suitable than the North and East Rivers; indeed, they carried over eighty per cent of the total volume of transport of the whole Pearl River system in the 1950s.⁽⁷³⁾ The Pearl River system itself carried 80 per cent of the total amount transported

by river in the province.⁽⁷⁴⁾ The river system of Guangdong is so extensive that in the 1950s it was estimated that almost four-fifths of cities and towns could reach the sea by river, while about three-fifths of the volume of goods transported within the province went by river.⁽⁷⁵⁾

In highway development Guangdong was one of the most advanced Chinese provinces in the 1930s, with more than 10,000 Km. completed by the outbreak of the Sino-Japanese war. Most of this was damaged between 1937 and 1949, but was repaired swiftly (the total reached 17,200 Km. by 1957).⁽⁷⁶⁾ Highways were especially useful in the development of East-West overland transport which had been especially difficult in traditional Guangdong. Railways were more limited: the total length in 1957 was only 601 Km. (compared to 14,630 Km. of navigable inland waterways).⁽⁷⁷⁾ The most useful line was the Guangdong section of the Guangzhou-Beijing line, running north through Shao Guan municipality, and connecting Guangdong with the Yangzi (Yangtse) valley. Shorter lines also built before 1949 extended from Guangzhou to San Shui and Kowloon.

(h) Relative income from different farm activities.

The Guangdong farmer faced a price structure in the 1930s that tended to favour strongly non-grain items over grain. In the years 1930-36 100 jin of the following items would exchange for the following amounts of rice (da mi)⁽⁷⁸⁾ (unit: jin):-

Sugar cane	9.7	Water plants	54.4
Peanuts	118.9	Oranges	130.8
Jute	141.5	Live pigs	371.8
Tobacco	347.1		

However, relative prices are only a preliminary to understanding the relative advantage to the farmer of different lines of production. In the first place, where grain supplies are uncertain in quantity and fluctuate considerably in price whatever the relative income from different farm products it might well be rational to attempt to achieve a measure of self-sufficiency in grain supply before even thinking about using farm resources for other purposes. It might also be argued that under conditions of considerable fluctuations in price of commercial crops and where considerable investment was required to shift from one production structure to another short-term price relativities were not a good guide

Table 4.13 Index of costs of transportation for agricultural products
(from xian city to outside the xian) in China, 1929-33.

<u>Means of transport</u>	<u>Index of cost per ton mile</u>
Steamboat	100
Rail	113
Junk	175
Wheelbarrow	375
Cart	450
Mule	600
Horse	660
Human porter	890

Source: Buck, Land Utilisation in China, Vol. 1 (Text) p. 354.

to a farmer's long-run economic advantage.⁽⁷⁹⁾ In spite of such considerations a significant movement away from grain towards commercial crops occurred in the allocation of farm resources in China in the first half of the twentieth century. What were the additional factors that entered the farmer's calculus in the allocation of farm resources?

The output attainable per unit of land for the different commodities was of considerable importance. For example, the fact that the price of sugar-cane was only about ten per cent of the price of grain in Guangdong in the 1930s (see above) appeared to favour the production of the latter, but data for Zhong Shan xian suggests that the output obtainable per mou per year under traditional techniques might well have been twelve to thirteen times as great for sugar cane, giving an annual gross income per mou that was perhaps thirty per cent greater for sugar cane than for rice.⁽⁸⁰⁾

Of more use than the above data in attempting to understand the choices made by farmers in resource allocation is a 'synthetic' index such as net income per unit of land or per unit of labour time, the latter being the more useful measure as it takes account also the labour input needed for different commodities. Even in early Qing times the relative income advantages of silk and grain production were noted. According to Zhang Lu-xiang's agricultural treatise of 1658 it was to the cultivator's advantage to plant his land with silk rather than grain if soil and topography permitted. One mou of mulberry trees apparently would provide (in the Hu Zhou district on the lower Yangzi river) enough leaves to raise from two or three to ten trays of silkworms. In a year when the price of silk was high and that of rice low, one tray of silkworms alone would provide as much income as one mou of rice. Even when the price situation was reversed, the income from mulberry leaves could still be comparable, mou for mou, with that of rice.⁽⁸¹⁾ A good idea of the relative income attainable per unit of land in the immediate pre-revolutionary situation is given by the rents charged for different types of farmland, and it seems to be the case that economic crop land often commanded considerably higher rents than land used for growing basic foodstuffs. In the Pearl River delta in 1937, for example, the rents were said to be (yuan per mou):-⁽⁸²⁾

Fruit grove	60-70	Vegetables	7-8
Mulberry	20-30	Peanut and potato	4-5
Rice	10		

As well as the amount of income available per unit of land from different types of production farmers were (as noted above) interested in the labour outlay required to obtain those different levels of income, so that a most relevant item in this calculus was net income obtainable per day's labour, but the author has not encountered such data. Buck's extensive data of 1929-33 do, however, reveal sharply the large differences required in the Rice Region of China for the production of various crops:-

Table 4.14 Numbers of man-days required per crop-acre for different crops in the Rice Region of China, 1929-33.

Rice	82	Opium	152
of which: Early	51	Tea	126
Late	23	Tobacco	96
Corn	24	Peanuts	56
Sweet potato	58	Mulberry	196
Sugar cane	68		

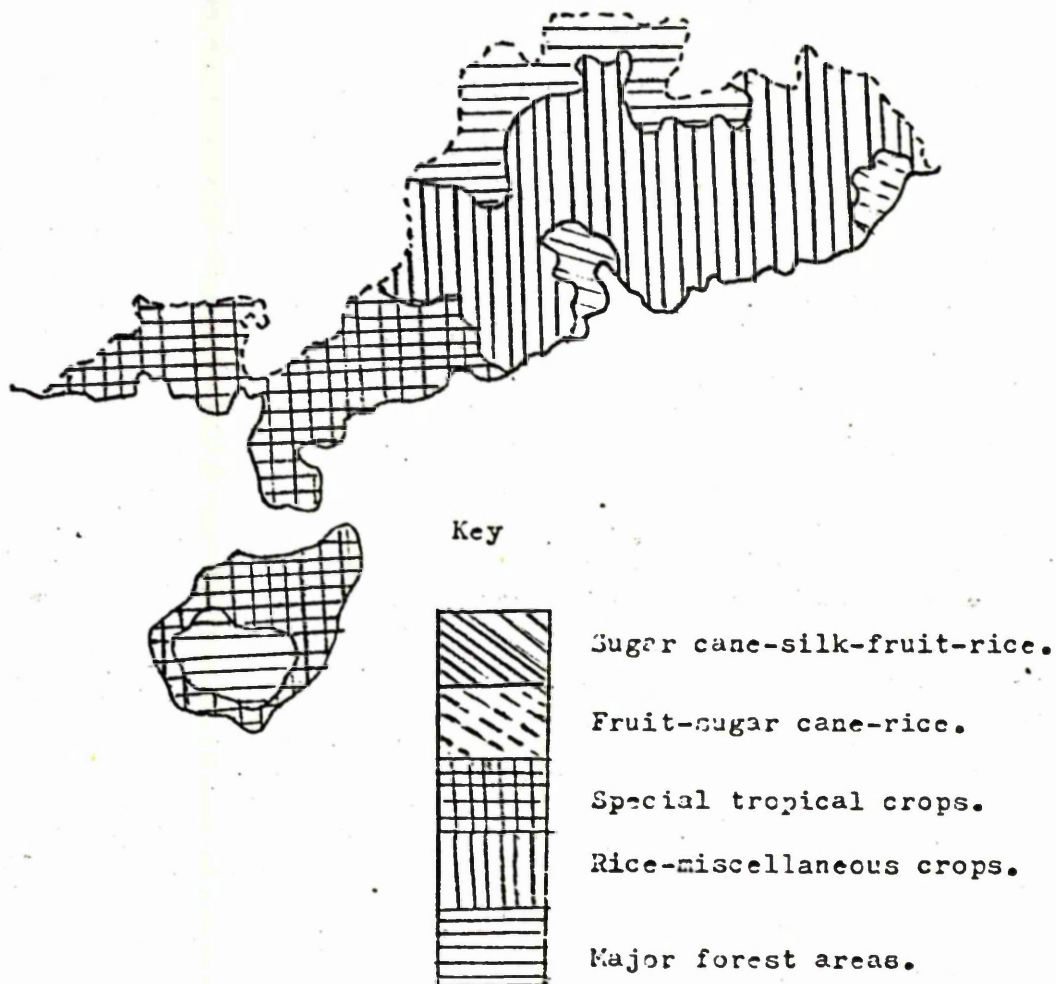
Source: Buck, Land Utilisation in China, Vol..1 (Text), p. 302.

The production of what was relatively labour-intensive also with the production of fodder and care of animals requiring considerable labour inputs. The significance of these data is clear. To induce peasants to shift to the cultivation of highly labour-intensive crops such as tea or mulberry, a significant incentive was needed, either in the pursuit of profit that made the sacrifice of leisure worthwhile or out of necessity to pay rent, taxes, or some other form of extraction from them.

(i) Prices of sales to the rural areas

It has been seen that the transport conditions of Guangdong province were relatively advanced before the revolution. However, in spite of this definite transport costs were involved, and these could be especially significant relative to the original production costs for areas away from modern transport and in particular for those away from easily-navigable waterways. Their dimensions were revealed clearly by data on the rate of exchange of rice for industrial products in the early years after the revolution. The post-1949 government inherited a situation of sharp

Figure 4.5. Structure of agricultural production in different parts of Guangdong, 1950s.



Source : Liang Ren-cai, Economic Geography of Guangdong, p.108.

regional price differentiation: in centrally-located areas convenient to the main industrial centres such as Guangzhou and Fo Shan, a unit of grain would exchange for well over twice as many units of industrial commodities as in an inaccessible area in the far north of the province (see Table 4.15). Already-existing price differentials on account of transport costs were exacerbated by the damage done to transport between 1937 and 1949 but to quantify their relative contributions to the inherited differentials is difficult.⁽⁸³⁾ Such regional price differentials had a direct impact on real incomes among the peasantry in different parts of the countryside.

(j) The structure of farm production

It has been seen above that under the inherited price structure non-grain production tended to produce a higher income per unit of farmland than grain production. It will be seen below that income per unit of labour, in spite of higher inputs generally required for non-grain production, tended also after 1949 to be higher for non-grain than for grain production. Under such circumstances the structure of output is a good guide to relative net income levels, though as will be seen below the impact of rents and taxation could have an important modifying effect on differentials in consumption.

Over the whole of Guangdong grain production was much the most important farm activity both before and immediately after 1949: in 1952 grain occupied 89 per cent of the province's total sown area (see Table 2.1), producing 44 per cent of the gross value of agricultural production in 1957.⁽⁸⁴⁾ Even in the Pearl River delta, which undoubtedly had a much greater role generally for non-grain output, the major share of arable land was allocated to grain: in 1957, for example, 83 per cent of the arable area was devoted to paddy field.⁽⁸⁵⁾ Indeed, the Fo Shan S.D. at the heart of the delta was the biggest single grain producer of the S.D.'s for which data are available (see Table 4.16).

Not only was the Pearl River delta most important in grain production but the extra fertility of the soil combined with the stimulus of convenient markets as well perhaps as extra pressure from a relatively high proportion of rented land (see below) produced a greater diversity of farm activities than in most other parts of the province: silk, sugar cane, fruit, and fish each played an important role in the farm economy of the area (see Figure 4.5). For the whole province in 1952

animal husbandry and sideline production came to only 23 per cent of the gross value of agricultural production (Table 2.2). However, in the Fo Shan S.D. economic crops and sideline production alone came to 44.3 per cent of the total value of agricultural production in 1954 in the dyked and plain area that made the major contribution to the output value of the whole area.⁽⁸⁶⁾ The xian with the most complex production structure in the province almost certainly was Shun De. In 1956 the contribution of different sectors to the gross value of agricultural production were⁽⁸⁷⁾:

Mulberry/silk	12.7
Grain	9.4
Fish ponds	31.0
Sugar cane	26.4
Others (e.g. vegetables, bananas)	19.6
<hr/>	
Total	99.1%

In the suburban area of cities a major part of farm resources were devoted to, and farm income derived from, vegetable production. For example, in an APC in the suburban area of Guangzhou municipality in 1955 the total area sown to vegetables (early plus late) was 95.7 mou, compared to only 60 mou for rice (both crops). Gross income from all sources for the APC amounted 21,267 yuan, of which 10.6 per cent came from sideline production, 82.3 per cent from vegetables, and only 6.4 per cent from grain.⁽⁸⁸⁾ While the author has not come across comparable data for the xians in the much smaller Han river delta, this area also had a complex production structure with fruit and sugar cane the major products apart from rice (see Figure 4.5).

The superior position occupied by the delta areas in the output of non-grain products is confirmed by an analysis of some important individual commodities. It has been seen already that within the Central and Eastern districts these areas tended to have larger numbers of pigs per household. Even the number of fowl per household was relatively high; for example, in 1957 the average number of fowls per farm household in the Fo Shan S.D. was about 21 compared to about 16 in the Shao Guan S.D. (occupying the north of the province).⁽⁸⁹⁾ The production of fresh-water fish was massively dominated by Central Guangdong (in 1953 80 per cent of the total catch was from this district)⁽⁹⁰⁾ within which the major part would have come from

Table 4.15 The amount of different commodities that 100 jin of grain (dao gu) would exchange for in 1950 in different parts of Guangdong province.

Item	Unit	Pu Ning xian, Li Hu qu.	Shun De xian, Rong Qi qu	Lian xian, Lian Zhou qu.	Nan Xiong xian, Cheng Guan qu	Hui Yang xian, Ping Shan qu.
Coloured cloth ⁽¹⁾	chi	13.2	16.3	7.6	-	-
	index	175	216	100	-	-
Towelling ⁽²⁾	lengths (tiao)	-	14.8	5.9	-	-
	index	-	251	100	-	-
Kerosene ⁽³⁾	jin	9.0	12.9	5.5	-	-
	index	164	235	100	-	-
Rubber shoes ⁽⁴⁾	pairs	2.17	1.36	1.25	-	-
	index	174	109	100	-	-
Fertiliser ⁽⁵⁾	jin	-	-	-	12.9	19.7
	index	-	-	-	100	153

Source: Xie Nan-shi, 'Are the prices of agricultural goods too low and the prices of industrial goods too high?', NFRB, 15th Oct. 1957.

- Notes: (1) The brand of cloth in Lian xian and Shun De were the same, but different in Pu Ning.
 (2) Different brands of towelling for each xian.
 (3) Soviet Union No. 2 kerosene in each case.
 (4) A different brand of rubber shoes in each case.
 (5) A different brand of fertiliser (chemical) in each case.

Location of xians:-

Pu Ning: Eastern district, edge of Han River delta.

Lian xian: Extreme north of province.

Shun De: Pearl River delta.

Hui Yang: East River, hilly district, about 100 Km. east of Guangzhou.

Nan Xiong: Extreme N.E. on border with Jiangxi province.

Table 4.16 Grain output and agricultural households in Guangdong province in the 1950s.

Area	Grain Output (1956) ⁽¹⁾		Agricultural households (%) ⁽²⁾ (1958)
	m.jin	%	
Guangzhou municipality	-	-	1.5
Fo Shan S.D.	4283	17.8	15.2
Zhan Jiang S.D.	3970	16.5	17.6
Hui Yang S.D.	3093 ^(a)	12.9	13.8
Shao Guan S.D.	2202	9.2	9.0
Hainan Island	1800	7.5	8.3
He Pu S.D.	1325	5.5	6.1
Gao Yao S.D.	-	-	} 28.5
Shan Tou S.D.	-	-	
Whole province	24,000	100	100

Source: (1) Appendix D, Table 9.

(2) 'Comparative statistics on pig-rearing in Guangdong'.

Notes: (a) Rice only.

the water resources of the delta area. The most important economic crop of the farm economy in the 1950s was sugar cane⁽⁹¹⁾ more than half of which in 1953 was produced in the Pearl River delta.⁽⁹²⁾ In mulberry/silk production also there was a marked regional inequality with the Pearl River delta once again dominant: in 1950 three xians in the delta area (Shun De, Zhong Shan, and Nan Hai) produced 80 per cent of total provincial silk cocoon output, while Shun De xian alone produced 66 per cent (in 1953).⁽⁹³⁾ Fruits are an important part of the Guangdong farm economy. Five xians in the deltaic area of Eastern Guangdong produced about half of the total provincial output of oranges in 1957, while Xin Hui xian alone (in the Pearl River delta) produced about thirty per cent.⁽⁹⁴⁾ Four xians on or near the Pearl River delta between them produced 75 per cent of Guangdong's total banana output in 1957.⁽⁹⁵⁾

The production of a small number of farm products were concentrated in other areas. Hainan Island, for example, accounted in 1956 for 69 per cent of the total area in Guangdong sown to tropical crops (rubber being the most important).⁽⁹⁶⁾ Among the economic crops whose production was widespread peanuts was the most important. It occupied just over half of the total area sown to economic crops in the province in 1957,⁽⁹⁷⁾ though its value came to well under half of the total from economic crops. Peanut usually is grown in less fertile, drier areas, with superior land generally not devoted to it.⁽⁹⁸⁾ Hemp, tobacco, and tea, the most important of the remaining economic crops, all were grown quite widely.

In addition to the fertile areas close to the main markets, there was another kind of area in which non-grain production was of relatively great importance in the farm economy and that was the mountainous region where forestry played a large role. Forest products were unavailable easily in the plain areas and the transportation costs for lumber are greatly reduced by the fact that it can be floated easily downstream. Over the whole province forestry accounted for only 2.5 per cent of the gross value of agricultural production in 1956,⁽⁹⁹⁾ but in Huai Ji xian in the mountainous part of the West River area, it produced over one quarter of the total value of agricultural production in 1956;⁽¹⁰⁰⁾ in Xin Feng xian in the north east of the province forestry income in 1953 amounted to 30 per cent of gross income of the xian⁽¹⁰¹⁾ in the mountainous xiangs of Qing Yuan xian forestry produced 60-90 per cent of the peasants' gross income in 1956, and in the semi-mountainous xiangs the proportion was 20-40 per cent.⁽¹⁰²⁾

It seems, then that the inherited structure of farm production favoured certain areas in the Guangdong countryside in respect to earnings per unit of farmland and per worker. The Pearl River delta and smaller Han River delta not only tended to produce a larger amount of grain per person than other parts but also more of some of the most important non-grain items.

(ii) Regional rural income differentials under differing institutional conditions

(a) Pre-1949

In Part I of this chapter it was seen that differences in the allocation of factors of production per person, in soil fertility, and in location relative to markets, combined to produce significant differences in output and net income per farmer in different parts of the Guangdong countryside prior to 1949. There are a variety of factors that may have had a further impact upon regional income differentials, notably rent, taxation and usury, of which the most important was rent.

Land renting before 1949 tended to be more important in South China than in the north of the country. Perkins, for example, suggests that in Guangdong in the early 1930s 52 per cent of farm families were 'tenants' (defined as those who rented in all their land) compared to a national average of thirty per cent.⁽¹⁰³⁾ A national survey for 1937 suggests that across the whole of China 46 per cent of farmers were owners, 24 per cent part-tenants, and 30 per cent full tenants; the comparable figures for Guangdong province were 21 per cent, 32 per cent, and 47 per cent.⁽¹⁰⁴⁾ Perkins suggests that the proportion of rented land may have been in the order of twelve to fourteen percentage points higher than the percentage of tenants across the whole of China in the 1930's,⁽¹⁰⁵⁾ though the data on land reform in Guangdong (see Chapter 5) indicate that 'only' about 44 per cent of the province's arable land was confiscated and re-distributed,⁽¹⁰⁶⁾ about the same as the proportion for the whole country,⁽¹⁰⁷⁾ which is rather surprising if the proportion of rented land in Guangdong was much above the national average. The proportion of arable land rented in Guangdong in the 1930s, then, lay somewhere between a minimum of 44 per cent and a maximum of about 60 per cent, but probably at the lower end of the range in view of the post-1949 data on land re-distribution.

Was there a significant tendency for the proportion of rented land to vary between different parts of the province? On a priori grounds it might be expected that land renting would tend to be of relatively greater importance in more highly commercialised areas. While land has long been prized as in investment in China on account of the long-run stability of its returns, it has been argued that the rate of return here generally was lower than in commerce or moneylending,⁽¹⁰⁸⁾ while industrial investment became increasingly competitive in the twentieth century. However, in the vicinity of large cities where income per acre was high it would be surprising if the rate of return on land was not substantially higher than in less favoured areas. A second argument concerns the source of investment funds. Generally-speaking in China pre-1949 wealth from outside the villages was of central importance in the acquisition of land: indeed, Perkins suggests that in the 1930s three-quarters of all rented land was owned by landlords who lived outside the village.⁽¹⁰⁹⁾ The available evidence suggests that such landlords tended to obtain their initial wealth from outside agriculture.⁽¹¹⁰⁾ A study of 191 landlords in Guangdong province in 1929 found that 138 were in some kind of commerce as their principal occupation.⁽¹¹¹⁾ Naturally, the area with the largest amounts of funds accumulated outside agriculture were those with a greater degree of urbanisation and commercialisation. A third factor leading one to suspect higher rates of tenancy in more commercialised areas is the ingenious argument put forward by Perkins.⁽¹¹²⁾ He notes that peasants had to pay rents in kind (grain) or in money. There is a limit to the amount of grain a landlord's family can eat, so that one way or another, the existence of a relatively high degree of landlordism required a relatively accessible market. A final factor in the argument is the degree of politico-legal security in different parts of the countryside. Before 1911 considerable support for the landlords came from the imperial government, but the courts operated in such a way as to often discourage even landlords from using them. It has been argued that in areas which were commercially more developed, rent relations would be regarded as more normal, leading perhaps to less tenantresistance on the one hand, and greater legal support for landlords on the other.⁽¹¹³⁾ After 1911 political instability greatly increased, and it may be guessed that the degree of safety for landlords to invest was greater closer to the major centres of urban power.

Were these a priori arguments reflected in the actual pattern of

distribution of rented land? A detailed study of Jiangsu province in the early 1930s has found some support for this.⁽¹¹⁴⁾ In that province there were huge variations between xians in the degree of tenancy, from four to five per cent of agricultural households in some xians to 75 per cent in others.⁽¹¹⁵⁾ In the north of the province (the area with the poorest natural conditions and furthest from the main commercial centres) tenancy rates generally were relatively low. Along the fertile sand flats in coastal North Jiangsu tenancy rates tended to be high. In the centre of the province tenancy rates tended to be moderate, but as the Yangzi river was approached, with its flourishing commerce, the level of tenancy generally was very high. To the south of the Yangzi the position was more ambiguous. Natural conditions and access to markets would suggest generally high rates of tenancy on a priori grounds but the main characteristic of the area appears to have been considerable variations within it in the level of tenancy.⁽¹¹⁶⁾ The detailed study of Jiangsu province, then, suggests significant, though not unambiguous support for the arguments advanced in the preceding paragraph.

A useful, though not quite so extensive survey, was carried out by Chen Han-seng in Guangdong in the early 1930s, covering about two-fifths of the total number of xians in the province.⁽¹¹⁷⁾ Chen found that 57.2 per cent of the peasant households surveyed were tenants, 32.6 per cent were owners, and 10.2 per cent were agricultural labourers.⁽¹¹⁸⁾ The level of tenancy varied greatly between xians from zero at one extreme to 93 per cent at the other (see Table 4.17). However, as with the Jiangsu data some strong, though not unambiguous support emerges for the distribution pattern worked out on an a priori basis. The highly commercialised, high-yielding Pearl River delta xians nearly all had high rates of tenancy (indeed, the exception, Kai Ping is not in the delta area proper) with an average tenancy rate of 71 per cent. At the other extreme stood Hainan Island, geographically isolated, with a small degree of urban development, and low yields; here, the tenancy rate averaged a mere 11 per cent, the highest xian having a rate of only 22 per cent. No marked differentials can be observed over such broad areas for the rest of the province, and within each district there were large variations. For example, in the mountainous district of Eastern Guangdong Ping Yuen and Mei xian are adjacent to each other, yet the former had a tenancy rate of 71 per cent and the latter of 29 per cent. Such variations cannot be explained easily. Clearly, however, there was not a general tendency for the more remote parts of mainland Guangdong to have low tenancy rates: a high degree of

Table 4.17 Tenancy rates in different xians in Guangdong province in the early 1930s (tenants^(a) as a proportion of total peasant families) (%)^(b)

Area/xian name	%	Area/xian name	%
(A) Central District		(C) Western District	
(i) Pearl River Delta			
Area		Dian Bai	60
Fan Yu	77	Xin Yi	62
Shun De	77	Mao Ming	59
Zhong Shan	67	Yang Jiang	20
Tai Shan	72	Wu Chuan	17
He Shan	93	Average ^(c)	44
Hua xian	73		
Kai Ping	41	(D) Eastern District	
Average ^(c)	71	(i) East River area	
		Hui Yang	44
(ii) West River area		(ii) Mainly mountainous northern area	
Yun Fou	80	Xing Ning	30
Luo Ding	33	Mei xian	29
Xin Xing	67	Jiao Ling	52
Gao Yao	43	Wu Hua	63
De Qing	39	Ping Yuan	71
Guang Ning	58	Average ^(c)	49
Average ^(c)	53		
(B) Northern District		(E) Hainan Island	
(i) Southern, semi-plain, semi-mountain area		Dan xian	0
Ying De	61	Qiong Dong	14
Qu Jiang	63	Cheng Mai	9
Average ^(c)	62	Ding An	22
		Lin Gao	21
(ii) Mainly mountainous area		Le Hui	11
Weng Yuan	61	Qiong Shan	2
Nan Xiong	60	Average ^(c)	11
Ren Hua	87		
Le Chang	31	Average ^(d) for 38 xians ^(e) 57	
Ru Yuan	82		
Lian xian	16		
Average ^(c)	56		

Source: Chen Han-seng, Landlord and Peasant in China, pp. 115-117, and p. 121.

- Notes: (a) 'Tenants' = 'peasants who lease all or most of the land they cultivate' (ibid., p. 117).
 (b) The survey covered 20,997 peasant families in 152 villages (84.7% of their total population) in 38 xians. The Fan Yu xian data is the summary of a detailed survey 20,810 peasant families (77.2% of the total population) in 67 villages in the xian.
 (c) Unweighted averages.
 (d) Weighted (total number of tenants ÷ total number of households surveyed).
 (e) Excludes Fan Yu xian.

variation in rates was rather their main characteristic.

A peculiar feature of the land ownership situation in Guangdong province pre-1949 was the great importance of clans.⁽¹¹⁹⁾ In a survey of 63 xians in the early 1930s Chen Han-seng found that about 31 per cent of arable land was owned by the clans.⁽¹²⁰⁾ Clan land was rented out and the income from it supposedly used for various collective purposes by the clan, though Chen argued that the clan income in reality was at the free disposal of the clan officer: 'The common property of a clan is so manipulated as to become a modified form of private property'.⁽¹²¹⁾ There appears to have been a strong tendency for the economic strength of the clans to be greatest in the more fertile and more commercialised parts of Guangdong. While Chen's study showed that the average for the 63 xians was 31 per cent of arable land owned by the clans, it showed also that in the six main xians of the Pearl River delta the average (unweighted) was 52 per cent,⁽¹²²⁾ and for ten xians in the immediately surrounding area the average (unweighted) was 38 per cent,⁽¹²³⁾ still significantly above the provincial average. The average for the seven Hainan Island xians in the survey was only 16 per cent.⁽¹²⁴⁾ In other parts of the province average levels were not so high as the Pearl River delta nor so low as on Hainan Island, and again, were characterised by considerable variations within areas of reasonable homogeneity in agricultural conditions and levels of commercial development.⁽¹²⁵⁾

The predominant method of rent payment in Guangdong before 1949 was a fixed rent in kind (about 58 per cent of all rents in 1934), followed by a fixed cash rent (about 24 per cent of all rents in 1934); share rents were the least important (about 18 per cent of all rents in 1934).⁽¹²⁶⁾ The major area in which cash rents were of greatest importance was the highly commercialised Pearl River delta. Writing in the mid-1930s Chen Han-seng noted: 'Shun-teh [Shun De] is the only district of the province where cash rent dominates; a major part of Chung-shan [Zhong Shan] also pays cash rent; in Sin-hwei [Xin Hui], Nan-hai, and Tai-shan cash rent has a spread equal to that of rent payment in grain; and in other districts such as Chao-an, Pan-yu [Fan Yu] and Kai-ping, cash rent occupies only a minor part.'⁽¹²⁷⁾ Chen suggests that in areas growing commercial crops cash rents were the norm.

The important question for the present discussion is whether there was a marked regional variation in the level of rents. Perkins argues that for the whole of China the outcome of the different kinds of rental system were more or less the same in terms of the proportion of output

taken by the landlord: 'All three systems led to a rent which in absolute terms amounted to about half the annual harvest of the main crop.'⁽¹²⁸⁾

The situation in Guangdong as reported by the Central Agricultural Experimental Station appears to correspond roughly to this. For example, share rents in 1930 were reported to amount to about 50 per cent of the annual yield of irrigated land, and between 40 and 48 per cent for non-irrigated land (depending on the quality).⁽¹²⁹⁾ Rents fixed in kind were reported to take between 51 and 59 per cent of the annual yield on irrigated land, and 41 to 49 per cent for non-irrigated land.⁽¹³⁰⁾ Cash rents usually were expressed as a percentage of the land value, and were reported to be between five and eight per cent for irrigated land (in 1930), and ten to fourteen per cent for non-irrigated land.⁽¹³¹⁾ However, Chen Han-seng observes that generally-speaking cash rents also generally amounted in the early 1930s to between forty and sixty per cent of the total harvest.⁽¹³²⁾

The major exception to this was the 'sandy flats' (sha tian, literally 'sandy fields') of the Pearl River delta. This was an extensive low-lying area totalling about 2.5 m. mou in the 1930s, equal to around one-sixteenth of the total cultivated area of the province.⁽¹³³⁾ The major part of the sandy flats were found in Zhong Shan xian, rather less in Shun De and Fan Yu xians, and smaller amounts in Dong Guan, Bao An, Xin Hui, Nan Hai, and Tai Shan xians.⁽¹³⁴⁾ The sandy flats were 'naturally the most fertile agricultural region' in the province.⁽¹³⁵⁾ Traditionally the flats were owned and rented out directly by the clans; it was said by Chen Han-seng to be 'a region practically without peasant owners'.⁽¹³⁶⁾ Increasingly in the twentieth century the land was rented out to intermediaries (sub-renting companies, inaugurated by compradores and merchants) who eventually secured the tenurial rights to most of the sandy flats and sub-rented to the ordinary peasants,⁽¹³⁷⁾ who numbered about 85,000 families by the early 1930s.⁽¹³⁸⁾ In Zhong Shan xian in the early 1930s, there was a total of 1.5 m.mou of sandy flats of which at least 95 per cent was said to be under sub-lease: 'Fully one-half of this vast area is in the hands of rich merchants and powerful gentry, who, possessing superior financial resources, often are able to lease land from the clans for twenty or thirty years, sub-leasing it for periods not exceeding five years and often only for one year.'⁽¹³⁹⁾ Chen Han-seng argues that the rents charged under this system were much higher than over the rest of the province, usually amounting to between 70 and 75 per cent of the total rice-harvest.⁽¹⁴⁰⁾

It seems to be the case then, that the absolute levels of rents per mou of land in the better-situated, more fertile areas considerably exceeded those in other parts of the province, since the rates, with the notable exception of the sandy flats, were approximately equal in different areas and under different types of rental system. It appears also that there was a strong tendency for the more fertile, better-situated areas to have higher rates of tenancy, so that a larger proportion of total output tended to be taken in land rent here than in 'less favoured' parts of the province.

Land rent, however, was not the only form of surplus extraction from the direct producers. Usury also was important. Levels of indebtedness in the Chinese countryside were notoriously high, as Tawney commented: 'unless exceptionally fortunate, [the Chinese farmer] requires [credit] every year and, in a considerable number of cases, throughout the year. He gets it where he can, when he can, on what terms he can. Since his necessities are desperate, he is often skinned alive'.⁽¹⁴¹⁾ Buck's study of the early 1930s found that in the Rice Region 40 per cent of farms were in debt, of which 76 per cent was for unproductive purposes, and the remaining 24 per cent for productive purposes.⁽¹⁴²⁾ He notes that 'a considerable part' of the 'unproductive' credit was used to buy food for the farm family until the harvest.⁽¹⁴³⁾ The major source of rural credit even in a relatively highly commercialised province such as Guangdong was private loan from landlords, rich peasants and merchants.⁽¹⁴⁴⁾ Indeed, Buck reports that 48 per cent of credit in the Rice Region came from relatives and friends.⁽¹⁴⁵⁾ With the credit supply largely unorganised and the risks great, it is no surprise that rural interest rates were high, averaging (according to Buck) 3.2 per cent per month or 32 per cent a year.⁽¹⁴⁶⁾

The final important category of extraction of surplus production from the direct producers is taxation. The land tax had been the principal source of revenue for the Central government in imperial China, and it continued in the Republican epoch (1911-1949). In addition a variety of local surtaxes was levied on top of the basic taxes, and there is little doubt that these proliferated in the breakdown of control by central authorities after the 1911 revolution. In the early 1930s, for example, it was estimated that in different parts of Guangdong 25 types of surtax were being levied by the local authorities.⁽¹⁴⁷⁾ In addition, as before 1911, a variety of forms of 'squeeze' was put into practice on the tax payers by the local tax agents, so that actual tax collections

exceeded the officially stipulated amount.⁽¹⁴⁸⁾ The practice of collecting taxes in advance began in Guangdong in the 1920s, and a whole gamut of miscellaneous local contributions was levied locally.⁽¹⁴⁹⁾ Listing the various forms of taxation and near-taxation is one thing. Estimating their quantitative importance and impact on different groups (particularly as between landlord and tenant) is fraught with the greatest difficulty. Perhaps a reasonable 'minimum' level of importance of farm taxation might be the imperial land tax, which came to about five to six per cent of total grain output (and a rather lower proportion of total farm output).⁽¹⁵⁰⁾ In Yang's study of a Pearl River delta village in the late 1940s the main land tax on medium grade level came to about seven per cent of the yield of rice; a local government levy ('police fee') came to about five per cent of the yield.⁽¹⁵¹⁾ These taxes, totalling around twelve per cent of the yield of the main crop, were supposedly paid by the owner of the land, although in some areas it was divided by landlord and tenant,⁽¹⁵²⁾ and doubtless it was to some extent frequently passed on to the tenant via the rent. In the village studied by Yang a levy (for 'crop protection') was made by local armed racketeers on the producers of the crop, which was estimated at about 0.7 per cent of the yield.⁽¹⁵³⁾ However Yang notes that it was common practice for the large landlord to use their power in local politics to shift the burden of taxation disproportionately on to small landowners, for whom the tax burden might considerably exceed the thirteen per cent of the yield detailed above.⁽¹⁵⁴⁾ It should be noted however, that in Chen Han-seng's village studies of the early 1930s the surtaxes were much greater relative to the main land tax than in the study by Yang:-

Table 4.18 Taxes and surtaxes in different parts of Guangdong in the early 1930s.

		<u>yuan per mou</u>
(1) Chao An xian	(a) main land tax	0.42
	(b) surtax for police and public road-building	2.58
	Total	3.00
(2) Zhou Shan xian		
(i) Fertile fields in the valley	(a) main land tax	0.24
	(b) watchman fee	0.34
	(c) surtax for police	0.60
	Total	1.18

		yuan per mou
(2) Zhong Shan xian (cont.)		
(ii) Sandy flats	(a) main land tax	0.24
	(b) surtax for police	0.60
	(c) surtax for armed guards	1.75
	(d) 'black ticket fees'	unspecified
	paid to bandits	
	Total	>3.23
(3) Gao Yao xian	(a) main land tax	0.38
	(b) additional levies	10.62
	Total	11.0

Source: Chen Han-seng, Landlord and Peasant in China, pp. 81-2.

The villages studied by Chen for this purpose were (like Nanjing, the village which Yang studied) all on or near the Pearl or Han River deltas. There is a distinct possibility that tax and near-tax exactions per mou were considerably higher here than in less productive areas of the province.

Can any firm conclusion, then, be drawn regarding the impact of rent relations, usury and taxation on relative income levels of farmers in different parts of Guangdong province prior to 1949? In the very roughest terms it may be suggested that around 35 per cent of the main crop was taken from the direct producers in the form of taxation and rent,⁽¹⁵⁵⁾ and that a disproportionately large share (relative to the share of rural population) of this came from the most fertile and best-located areas where the proportion of land rented was relatively high, where rents per mou (in absolute terms) were high, and where possibly taxation per mou was relatively high. There was a certain degree of 'leakage' of income back to the direct producers out of this figure. For instance, part of the clans' rental income may have benefited ordinary members, such as through the provision of schooling by the clan. Moreover, a portion of 'landlord' income accrued to peasants who were themselves direct producers (ordinary peasants who for one reason or another rented out part of their land) or the dependents of deceased peasants (most villages had small pieces of land rented out by widows). It is unlikely that such leakages would have occupied a large proportion of the surplus removed from the direct producers.⁽¹⁵⁶⁾ If this suggestion is correct then it leads to the conclusion that in all likelihood the various forms of surplus extraction from agriculture, among which rent was outstanding, tended to reduce regional inequalities in real income among farmers, which would, in the absence of such factors have been substantial, on account of the significant regional differences in the

Table 4.19 Output per worker, calorie intake, and proportion of land rented in different xians in Guangdong province, 1929-33.

		Xian name:-						
Item	Unit	Chao An	Zhong Shan	Jie Yang	Gao Yao	Qu Jiang	Mao Ming	Nan Xiong
Production of grain equivalent	Kgs.	1051	1922	777	1478	1328	1084	1081
per man-equivalent	index	135	247	100	190	171	140	139
Daily intake of calories per adult male unit	calories	4878	3372	3534	3127	3437	3576	2665
	index	183	127	133	117	129	134	100
Proportion of farm area rented	%	46.5	99.0	17.4	96.8	67.0	34.2	19.0

Source: Buck, Land Utilisation in China, Vol. 3 (Statistics) pp. 56, 73.

Notes: for definitions of 'grain-equivalent' and 'man-equivalent' see Table 4.9.

for derivation of 'adult make unit' see *ibid.*, p. 408.

allocation of resources per farmer, both in respect to their quantity and quality, and in the degree of convenience of access to the principal markets.

Direct data on regional differentiation of rural living standards in pre-1949 Guangdong is sparse. Buck's survey of 1929-33 (Table 4.19) shows that the inequalities between farmers in different areas generally were substantially less than those in output per worker. It is unlikely, given the level of income, that this was due to the nature of income elasticity of demand for food among the Guangdong peasants. It appears to be explained at least in part⁽¹⁵⁷⁾ by the factors discussed above, so that the real income levels of farmers in areas with high output per workers tended to be reduced by the higher levels of tenancy. However, it should be stressed that the Buck data were for a small number of households (only about 20 in each xian for the data on food consumption) and are presented here only to provide the loosest of support to the arguments advanced above.

(b) 1949-1957

An enormous socio-economic revolution occurred in the Guangdong countryside in the 1950s at astonishing speed. Guangdong was a late-liberated province, and land reform didn't begin there until late in 1951; it was completed over most of the province by spring 1953.⁽¹⁵⁸⁾ In the course of it over two-fifths of the total arable area in the province was confiscated and redistributed.⁽¹⁵⁹⁾ For a brief space of time in the spring and summer of 1953 an attempt was made to 'stabilise production relations' in the villages, but in the autumn began the campaign on 'the general line on the transition to socialism. Accompanying the campaign went a tremendous expansion in the number of peasant households in MATS, increasing from 17 per cent of the total in mid-1953 to 44 per cent in mid-1954 (Appendix E, Table 2). After a halt in mid-1954 to the advance in rural collective organisation, the expansion began again in the autumn, continuing through into spring 1955, but with the emphasis shifted from MATS to APCs; from only 0.4 per cent of the province's peasant households in mid-1954, they had expanded to include 6.7 per cent by mid-1955 (Appendix E, Table 3). In the autumn of 1955 came the frantic burst of activity known as the 'high tide of socialism in the countryside', so that by January 1956 over eighty per cent of peasant households had joined the lower-stage APCs (Appendix E, Table 3). During 1956 the 'lower-stage' APCs were converted rapidly to 'higher-stage' APCs (i.e.

through the elimination of a land dividend payment); by November 1956, almost nine-tenths of the peasant households in Guangdong were members of higher-stage APCs.⁽¹⁶⁰⁾ So, in the short space of five years, the mass of the Guangdong peasantry had passed from private to fully collective agriculture. What were the implications for regional income inequalities of these massive changes in rural institutions?

The potential impact of the land reform was enormous. It has been seen that the production of farm surplus per peasant was unequal in different parts of the countryside. Moreover, it was seen that the level of surplus per person that was taken from the direct producer in rent tended to be larger in areas that produced greater surpluses. Consequently, in the absence of countervailing action, the immediate effect of land reform would have been to increase greatly regional income inequalities by eliminating land rents which had formerly tended to mitigate regional inequalities among direct producers.

The potential impact of collectivisation on regional inequalities of income was substantially less, at least in terms of its direct effects. The impact of collectivisation on rural income differentials principally was felt within the natural village (cun). The average size of higher-stage APCs in Guangdong in June 1956 was only 246 households,⁽¹⁶¹⁾ so that the typical higher-stage APC would have embraced only one village.⁽¹⁶²⁾ However, while this is true of the typical APC it is true also that many embraced more than one village, and that inadequate consideration was given to the difficulties this might cause when there were income differences between the original villages. The higher-stage APC regulations visualised the division of the APC into production brigades, each of which would have assume responsibility for cultivating a definite area allocated to it, and be given draft animals and farm tools for regular use.⁽¹⁶³⁾ However, the rules assumed that the value of the labour day would be at the same level for the whole APC irrespective of the original average income level of its component villages in these cases where the APC embraced more than one village. The results were obvious and were openly alluded to in the national press:

'There are some APCs that have not taken adequate consideration of rich villages, that have dragged the whole APC into equalitarian income distribution, so that the rich villages and brigades get the worst of it, causing them to be dissatisfied, and even resulting in opposition between village and village, brigade and brigade.'⁽¹⁶⁴⁾

Three possible solutions were proposed were the situation was causing

serious disagreement between villages. The first was to split the large APC into its component villages. The second was to allow the brigades to operate semi-independently, with each held responsible to their own profit and loss and for their own income distribution the third was similar to the present (1980) system of 'work groups' (zou-ye-zu) working under contract to the production team with rewards for overfulfillment of contract, except that in 1956-7, where this system was practised, the contract was between the brigade and the APC.⁽¹⁶⁵⁾ Presumably the major share of personal income would still (under the third option) have been distributed according to workpoints of equal value.

Of the major institutional changes that took place in the Guangdong countryside after 1949, then, that with the greatest potential for directly affecting regional income inequalities was land reform. This chapter will now turn to an examination of the policies adopted by the post-revolutionary government towards the key economic relations that affected regional income inequality, and enquire whether they tended to nullify the potentially exacerbating effects in this direction of land reform.

The most direct method that the new government might have adopted was to alter the regional distribution of resources relative to rural population, by encouraging greater mobility of people from less to more favoured parts of the province. Apart from relatively limited attempts to re-settle immigrants to Guangzhou municipality in the more sparsely-populated parts of Western Guangdong and Hainan Island (see Chapter 3), little use was made of this avenue of action, which clearly would have involved a great deal of social unrest, especially in areas receiving significant inflows of new migrants.

The second possible area for action was the rural price structure. It was noted earlier in this chapter that the price of rice in the pre-1949 countryside was considerably below that for most other farm products. Compared to the situation of 1930-36, the period 1950-1956 overall saw substantially similar relative prices of the principal farm commodities with some general, though slight, shift in favour of non-grain products (see Table 4.20). During the 1950s there was some improvement in the relative price of rice but not sufficient to alter its overall devaluation in comparison with the 1930s.⁽¹⁶⁶⁾ In view of this it would have been surprising if the situation of the 1930s in respect to the relative income per mou attainable from different kinds of farm production would have sharply altered; the available data tend strongly to support this. For example, it was reported that in 1956 in the sandy

Table 4.20 Relative price of agricultural commodities in Guangdong province, 1930s and 1950s.

Item	Amount of rice (da-mi) for which 100 jin of the following items could be exchanged:-			
	1930-36 (Average over 7 ⁽¹⁾ years)	1950-55 (average over 6 ⁽¹⁾ years)	1956 ⁽¹⁾	1957 ⁽²⁾
Peanuts	118.91	138.02	140.82	157.73
Sugar cane	9.70	10.27	9.46	10.11
Jute	141.46	161.83	154.31	n.a.
Tobacco leaf	347.08	373.83	351.40	n.a.
Water plants	54.39	81.60	71.43	n.a.
Oranges	130.75	173.48	141.00	n.a.
Live pig	371.82	367.88	379.64	n.a.

Sources: (1) Wei Jin-fei, 'Steadily investigate ...'

(2) Xie Nan-shi, 'The way in which to treat the purchase and supply price differential, and the regional price differential, for agricultural commodities', NFRB, 16th October 1957.

flats area of the Pearl River delta, the net income per mou was only 30 yuan for paddy rice, compared to 80 yuan for sugar cane, and 100(+) yuan for melon and oranges.⁽¹⁶⁷⁾ In the suburban area of Guangzhou municipality in 1955, gross income per sown mou came to 23 yuan for rice, and 183 yuan for vegetables.⁽¹⁶⁸⁾ As noted earlier in this chapter, the best measure of a farmer's relative interest in different lines of farm production is the income attainable per unit of labour expended. In 1956, it was reported that the average earnings per labour day in APCs over the whole province were⁽¹⁶⁹⁾:

Rice-production	1.03 yuan
Jute production	1.11 yuan
Pig rearing	1.50 yuan
Sugar	1.99 yuan
Peanuts	2.18 yuan

In Xu Wen xian in the west of the province, the average income per labour day in 1956 was 1.4 yuan for rice and 3.0 yuan for sugar cane.⁽¹⁷⁰⁾

The post-revolutionary state clearly did not attempt to make important alterations to the inherited structure of relative prices between different farm commodities. As in the pre-1949 countryside there were strong incentives for farmers to devote resources to non-grain production if they were interested in income-maximisation. It is interesting to note also that if indeed it was the case (as seems likely) that security of grain supply at stable prices had increased compared to pre-liberation days, then the preparedness of farmers to specialise in non-grain production and purchase grain may well have increased also.

It was seen in an earlier part of this chapter that the post-revolutionary government inherited considerable inequalities between regions in the terms of trade between grain and other products (see Table 4.15). Between 1950 and 1953 a rapid change in the terms of trade took place in different parts of Guangdong province, significantly reducing the advantage of the areas well-situated in relation to transport costs (see Table 4.21). It should be noted, however, that differentials were by no means completely eliminated. For example, comparing the exchange rates of Shun De xian (Pearl River delta) and Lian xian (extreme north of Guangdong), it was still the case in 1955 that 100 jin of grain could buy 22 per cent more coloured cloth in the former area, 91 per cent more towelling, and 34 per cent more kerosene (see Table 4.21).

Table 4.21 Index of amount of different commodities that 100 jin of grain (dao-gu) would exchange for in different parts of Guangdong province, 1950, 1953, 1955.

Item	Year	Pu Ning xian, Li Hu qu	Shun De xian, Rong Qi qu	Lian xian, Lian Zhou qu	Nan Xiong xian, Cheng Guan qu	Hui Yang xian, Ping Shan qu
Coloured cloth	1950	175	216	100	-	-
	1953	108	124	100	-	-
	1955	101	122	100	-	-
Towelling	1950	-	252	100	-	-
	1953	-	192	100	-	-
	1955	-	191	100	-	-
Kerosene	1950	164	234	100	-	-
	1953	107	127	100	-	-
	1955	105	134	100	-	-
Shoes	1950	174	109	100	-	-
	1953	102	59	100	-	-
	1955	98	57	100	-	-
Fertiliser	1950	-	-	-	100	153
	1953	-	-	-	100	117
	1955	-	-	-	100	105

Source: Xie Nan-shi, 'Are the prices ...'

Notes: See Table 4.15.

The differential improvement in the terms of trade between areas can be seen also across the whole of China and a clearer idea obtained of some of its components (see Table 4.22). In both coastal and inland China the terms of trade had moved sharply against the farm sector between 1930-36 and 1950, though to a greater degree in the inland areas.⁽¹⁷¹⁾ In the 1950s the terms of trade moved strongly in favour of farm commodities, though by 1956 the situation for the farm sector still was less satisfactory than the early 1930s. The improvement was significantly greater in the inland than in the coastal areas: the terms of trade index improved by 25 per cent from 1950 to 1956 in inland China compared to only 16 per cent in coastal China (see Table 4.22). The major factor explaining the contrast was a more rapid increase in farm purchase prices in inland areas (25 per cent) compared with coastal areas (13 per cent) from 1950 to 1952. In these early years after liberation the degree of state control over agricultural marketing was relatively small.⁽¹⁷²⁾ Consequently, the major share of the credit for the improvement in the relative position of the inland areas must go simply to the restoration of normal channels of transport and commerce rather than to conscious state policy. It might, however, be the case that the continued movement of the terms of trade in favour of agriculture in the inland areas after 1952 indeed was due to conscious government policy, and that in its absence the market might have worked in favour of the better-situated areas.

Direct re-allocation of resources and alterations to the inherited price structure have been examined in the preceding paragraphs as possible areas of influence by the post-1949 government over regional income inequalities in the countryside. A third possibility was the use of taxation to siphon off part or all of the 'differential rent' enjoyed by better-placed areas. It was seen in Chapter 2 that an agricultural tax was introduced immediately after the revolution; apart from a temporary increase in Guangdong in 1954, it remained roughly stable in absolute terms through the mid-1950s, and consequently constituted a declining portion of total farm output and income (see Tables 2.7 and 2.5). At its peak in 1954 it amounted in Guangdong to perhaps 12 per cent of agricultural income and over 14 per cent of total grain output, but by 1956 the proportions had declined to 8.5 per cent and 10 per cent respectively (Tables 2.3 and 2.5). It appears, then, that even at its peak, the agricultural tax took from the direct producer considerably less than had been taken before 1949 through taxation and land rent (it was estimated earlier in this chapter that approximately one-third of the direct producers' output was taken in

Table 4.22 Terms of trade between farm products and industrial products
in coastal and inland areas of China.

	1930-36	1950	1952	1956
<hr/>				
(i) <u>Farm purchase price index</u>				
Coastal areas	100	198	224	260
		100	113	131
			100	116
Inland China	100	172	216	255
		100	125	148
			100	118
<hr/>				
(ii) <u>Industrial goods retail price index</u>				
Coastal areas	100	269	293	296
		100	109	110
			100	101
Inland China	100	239	266	263
		100	111	110
			100	99
<hr/>				
(iii) <u>Industrial retail price index ÷ farm purchase price index</u>				
Coastal areas	100	136	131	114
		100	97	84
			100	87
Inland China	100	139	123	103
		100	90	75
			100	83
<hr/>				

Source: Statistical Office, 'Price gaps ...' (derived)

Notes: 'Coastal areas' = Liaoning, Hebei, Shandong, Jiangsu, Zhejiang, Fujian and Guangdong provinces.

this form in Guangdong). In view of this it appears most unlikely that the agricultural tax in the 1950 could have fully compensated for the 'differential rent' element in output.

Is there, however, any evidence that at least the tax was allocated in such a way as to collect some part of 'differential rent', and to that degree tend to control income inequalities between farmers in different areas? The tax was levied on a progressive basis in Guangdong, as in all the late liberated areas in the mid-1950s. The tax rate varied from exemption below 150 jin of grain (zhu-liang) output per capita, through to a maximum rate of 25 per cent on per capita output of more than 1450 jin, with 19 tax categories in between, beginning at 6 per cent on 151 jin.⁽¹⁷³⁾ The progressive effect of the tax was increased by the fact that the whole of a household's output was taxed at the level appropriate to the tax bracket occupied by the household; this was called the 'complete amount progressive method'.⁽¹⁷⁴⁾ In addition to affecting income differentials within a given village, the tax had also an effect on regional differentials, a result that clearly was intended by the authorities;

'The territory of China is so extensive that the economic conditions in various localities are extremely uneven. For example, in the barren and mountainous regions in Eastern Hubei, Western Hunan and Northern Guangdong, the average individual income is only 300-400 or 400-500 jin per year. But in rich regions like those surrounding Lake Tai Hu (Jiangsu), Lake Tong Ting (Hunan), and those in the Chengdu plains (Sichuan), the average individual agricultural income reaches 1000 jin or more. That is why only a progressive tax system will meet the different tax-paying capacities of various rural strata, and that is why the tariff promulgated by the Government Administrative Council is entirely reasonable.'⁽¹⁷⁵⁾

The tax differentials that emerged between areas of different levels of economic development were sizeable (see Table 4.23). It appears that once the tax burden was fixed (in kind) for a particular area on the basis of the 'normal yield' of the soil, it remained unchanged throughout the mid-1950s, even after the transition to collective agriculture.⁽¹⁷⁶⁾

To a certain degree, the progressive element in the agricultural tax regulations of the mid-1950s was counteracted in its effect on regional income differentials by the favourable treatment given to areas growing economic crops. The tax rate was fixed as if the land had been used to grow 'regular' (i.e. grain) crops.⁽¹⁷⁷⁾ Consequently, the agricultural tax in areas where economic crops were important would tend to have been a much lower proportion of the gross value of output than of grain output.

Table 4.23 State grain tax (gong-liang) as a proportion of grain output and agricultural income in different parts of Guangdong province in the mid-1950s (%)

Area	Year	Agricultural tax as proportion of:-	
		(1) grain output	(2) gross agricultural income
Gao Yao xian (1 APC)	1956	16.3	n.a.
Hai Kang xian	1956	4.8	n.a.
Lu Feng xian	1956	n.a.	6.4
Nan Hai xian (1 APC)	1957	24.7	n.a.
Xin Feng xian	1956	6.6	n.a.
Xin Hui xian	1955	17.3	n.a.
		(mean of 2 APCs)	
	1956	n.a.	7.1
Xu Wen xian	1956	6.2	n.a.
Zhong Shan xian (mean of 3 APCs)	1956	n.a.	17.3
Yang Jiang xian (1 APC)	1957	15.2	n.a.

Source: Appendix D, Table 14.

This anomaly was not corrected until the new tax regulations were issued in June 1958 when the local authorities were empowered to raise the tax norm somewhat in the case of economic crops. (178)

While the agricultural tax to a certain degree reduced regional income inequalities on account of 'differential rent', it did so only to a limited degree. Moreover, its stability over time meant that it failed to reflect changes in relative income levels. There were, however, other factors in operation that affected relative income levels. The first of these was influences on the structure of production, or, in other words, factors that affected a regions capacity to 'realise' its potential 'differential rent' given the prevailing contour of relative prices of farm commodities. It was seen in chapter 2 that the state was able to exercise strong direct influence on the structure of production adopted by Chinese farmers after 1949. Controls were especially strong after the setting up of APCs in 1955/6, since the decision was removed from the hands of individual farm households. However, local cadres were able also to exert influence through the MATs, as well as by attempting to persuade fully independent farmers of adopting particular courses of action. For reasons discussed in chapter 2 particular stress tended to be placed in government policy during the First Five Year Plan on 'taking grain production as the main thing'. Zhao Zi-yang in 1953 suggested that the course that Guangdong agriculture should adopt was the following:

'The task for Guangdong in increasing agricultural production over the next three years is to take grain as the main thing (wei zhu) so that on the present production base output will increase by 40 per cent so as to attain self-sufficiency in grain production. The demand in respect to economic crops is to increase output per unit area, and not to further expand the sown area (zheng di) and in some cases, depending on the circumstances, it (sown area) may even decrease. After three years, when the national economy has suitably expanded, then gradually the sown area of economic crops will be expanded.' (179)

Pressures of another kind existed which might have tended to push farmers into a greater stress on grain production than they would voluntarily have chosen. That was the government's policy on grain extraction. It has been seen (chapter 1) that following the introduction of compulsory purchases of grain in late 1953 a severe squeeze was placed on the level of grain consumption in the villages: at their peak level

in 1954, no less than 26 per cent of grain output in Guangdong was purchased by the state, while state purchases and the grain tax between them took over 40 per cent of total output (Table 2.3). This squeeze in turn reinforced the tendency to stress grain rather than non-grain production, firstly because peasants had to produce the necessary grain tax and compulsory purchase requirements of the state, and secondly, because the severity of the state's grain extraction policy caused shortages of fodder supplies, thereby limiting the development of animal husbandry.

There is strong evidence to suggest that the allocation of the compulsory grain purchase task was quite uneven in per capita terms, in its incidence upon farmers in different parts of the Guangdong countryside. In 1954, for example the distribution of state grain purchases between different parts of the province was ⁽¹⁸⁰⁾:-

Central	42.0%
East	23.9%
West	15.6%
North	15.6%
Hainan	3.2%.

The distribution of the advanced grain purchase task for 1956 provides a clear idea of the burden in relation to the distribution of the farm population (see Table 4.24). Fo Shan S.D. (containing the main part of the Pearl River delta) and Hui Yang S.D. (containing its eastern part) between them contained only 29 per cent of the total number of agricultural households in the province, yet they provided over 53 per cent of the total advance purchase task. At the other end of the scale, Hainan and He Pu S.D. contained about 14 per cent of agricultural households yet contributed only five per cent of the total advance purchase grain task. The well-placed, most fertile part of the province appears to have been the principal provider of 'commodity grain', and to have been providing more or less double the provincial average per agricultural household. It was this area that was closest to the main consuming centre, Guangzhou. In view of the structure of farm prices, the relative income obtainable per mou from different types of farm production, and the reduced extraction of surplus output from the direct producers relative to pre-1949, there seems to be a strong likelihood that the Pearl River

Table 4.24 Distribution of advance grain purchase (yu-gou) task for Guangdong in 1956.

Area	m.yuan ⁽¹⁾	%	yuan per agricultural household ⁽²⁾	% of agricultural households ⁽²⁾
Whole province	36.0	99.9	4.7	99.9
Shan Tou S.D.	4.7	13.1	3.3	18.6
Hui Yang S.D.	8.6	23.9	8.1	13.8
Fo Shan S.D.	10.6	29.4	9.1	15.2
Gao Yao S.D.	3.5	9.7	4.7	9.8
Shao Guan S.D.	3.4	9.4	4.9	9.0
Zhan Jiang S.D.	2.5	6.9	1.9	17.6
He Pu S.D.	1.8	5.0	3.8	6.1
Hainan	0.8	2.2	1.3	8.3
Guangzhou	0.1	0.3	0.9	1.5

Sources: (1) Guangdong People's Council, 'Directive concerning unfolding of advance purchase work for grain in 1956', NFRB, 30th May 1956.

(2) Derived from ibid. and 'Comparative statistics on pig-rearing ...'

Note: Figures on agricultural households are for 1958.

delta farmers were being pushed to grow considerable amounts of grain that they would not have produced without pressure from state grain purchasing agencies.

To go beyond this and reach a clear assessment of alterations in the production structure in different areas between the 1930s and 1950s, and in the 1950s themselves is a much more complex task. Many reports were published showing the difficulties caused by the state's stress on grain and by its excessive grain purchases. On Hainan Island economic crop and sideline production 'declined slightly' in 1956 causing 'about 40 per cent of APC members to experience a fall in income'.⁽¹⁸¹⁾ In Zhan Jiang S.D. prior to 1956 there was said to have been a neglect of sideline and economic crop production resulting in 'an inadequate development of peasant income and even a fall in some cases'.⁽¹⁸²⁾ These reports came from the west of the province. There were, however, a large number of similar reports from the central area and also from the mountainous areas. In the mountainous areas of the northern part of Guangdong an attempt was made to increase the production of rice too rapidly causing difficulties with special mountain area products (e.g. tea, forestry, paper, mushrooms).⁽¹⁸³⁾ For the Whole Shao Guan S.D. simultaneous with a quite rapid growth of rice (dao gu) output (from 1300 m. jin in 1950 to 1900 m. jin in 1956)⁽¹⁸⁴⁾ occurred the following decline in important sideline products:- (Unit: dan)

Item	Peak pre- 1949 output	1952	1953	1954	1955	1956
Tea-seed oil	50,000	-	-	32,000	14,000	20,000 [†]
Native paper	300,000	140,000	100,000	80,000	40,000	120,000*
Mushrooms	3,000	-	-	1,500	1,500	1,200
Tea leaves	8,000	-	-	-	4,549	4,000 ^β

Source: 'Several questions concerning the development of mountain region production ...'

Notes: † Estimated maximum

* Estimate

β Quality low as well.

In the Shao Guan S.D. also forestry production performed badly in the mid-1950s with a success rate of only 50-60 per cent for newly planted trees.⁽¹⁸⁵⁾

In Xin Feng xian in the Shao Guan S.D. the number of pigs reared per household fell precipitously, from 1.5 in 1953, to 1.0 in 1955, and 0.6

in August 1956.⁽¹⁸⁶⁾ In the same xian during collectivisation the extent of the damage to sideline production can be gauged by the fact that between 1955 and 1956 state purchases declined by 50 per cent for pigs, over 20 per cent for chicken, duck, and geese, 40 per cent for winter mushrooms, over 90 per cent for Chinese yams, and 40 per cent for local medicinal materials.⁽¹⁸⁷⁾

Reports from the Pearl River delta area showed equal concern for the squeezing out of sideline production.⁽¹⁸⁸⁾ Sugar cane output in the Fo Shan S.D. (the main producing area of Guangdong) grew rapidly (over 13 per cent p.a.) throughout the mid-1950s.⁽¹⁸⁹⁾ However, during collectivisation sugar cane was the only economic crop in Fo Shan S.D. whose sown area did not decline.⁽¹⁹⁰⁾ Nan Hai xian had been rich in diversified production, but between 1953 and 1955 there was a serious decline in the sown area of squashes (34 per cent), in chicken, ducks, and geese (50 per cent), milk cows (61 per cent) and pigs (68 per cent).⁽¹⁹¹⁾ Over the whole of Guangdong in the same years, the numbers of pigs remained stable at about 7 million.⁽¹⁹²⁾ In Shun De xian, which had probably the highest proportion of non-grain production of any xian in the province, there occurred also a serious decline in some important items: in 1956 silk cocoon output fell by about 10 per cent, fish pond output 'may have fallen also', while pig numbers fell by 40 per cent.⁽¹⁹³⁾ At the same time that the Pearl River delta xians were experiencing these difficulties in non-grain production, grain output itself was progressing steadily. Output of grain in the Fo Shan S.D. increased in the following manner⁽¹⁹⁴⁾:-

	<u>m. jin</u>	<u>index</u>
1952	3688	100
1953	3864	105
1954	4092	111
1955	4153	113
1956	4283	116

It was seen in Chapter Two that there were serious problems on a province-wide basis in the mid-1950s with non-grain production; the decline in pig numbers was the leading example of a wider phenomenon. It was seen also earlier in this chapter that there were certain parts of the province (notably the deltaic and the mountainous areas) in which the role of non-grain output was greater than in others. The information outlined in the preceding paragraphs suggests that it was, as might be expected,

these areas that were most constrained by the state's policy on grain production and purchase. It may well be the case, then, that the activities of the post-1949 state in these directions tended to constrain the development of regional income inequalities after land reform. This appears to have been a by-product of policy conceived for other reasons (notably, attempting to achieve national self-sufficiency in food grain at a time of rapid population growth) rather than a conscious policy objective. It must be stressed, however, that it seems most unlikely that fundamental changes were brought about in the structure of production by region in the 1950s. In broad terms, regional specialisation after 1949 in Guangdong (as noted earlier in this chapter) appears to have been similar to the 1930s.

A variety of channels has been indicated through which regional income differentials in the 1950s were constrained (partly consciously, partly unconsciously) below what they might have been given the prevailing structure of relative prices. Such constraints did not, however, prevent the existence of important income differentials between peasants in different parts of the countryside (see below): they were constraints only in relation to what might have happened. It is quite possible that a portion of the 'differential rent' that formerly was taken from the direct producers now remained with them. It would have been extremely difficult to take away all of such surplus from the higher productivity areas. For example, such constraints as did operate clearly had those for whom the opportunity costs were greatest chafing at the bit:-

-- 'some people energetically oppose this policy [taking grain as the main thing] saying that the policy of taking grain as the main thing will not increase the peasants' standard of living, pointing out that the target for increased grain output involves a sacrifice in terms of the gains that could be had from growing economic crops.' (195)

It is quite likely that it was the farmers in the better-off areas, especially the Pearl River delta, who consequently were most vocal in the anti-government protests of 1957. It may well be the case, then, that the capacity of higher productivity areas to retain a greater portion of the 'differential rent' element in output than before 1949 actually resulted in an increase in regional differentials after the revolution.

Differences in income between geographical areas were openly

acknowledged in the Chinese press. In his major article on peasant income, published in 1957, Tan Zhen-lin said:⁽¹⁹⁶⁾

Owing to differences in natural conditions, varieties of crops, managerial and operational experience, and to the quality of leadership, peasant income differs from place to place. In the same way, due to differences in the amount and quality of the labour force, the members of each co-operative receive a different income. The peasants in better districts and well-run co-operatives may receive 100-200 yuan per annum; the peasants in poor districts and not-well-run co-operatives may receive only 20 yuan per year.

Tan Zhen-lin said that the peasants with the highest incomes in China were those in the Pearl River Delta, the Yangtse River Delta, the Chengdu Plains of Sichuan province, certain industrial crop areas, the sparsely-populated Northeast China, the Inner Mongolia region, and the outskirts of major cities.

Income per 'labour day' was the main measure of earnings per worker in the APC's. It did not include earnings from private sideline production, and these could vary considerably from area to area.⁽¹⁹⁷⁾

At the broad regional level it was recommended by the Guangdong government that there should be a considerable variation in the average value of the labour day in the APC's in 1956. The provincial average was to be 1.0 yuan; the average for Guangzhou, Chao Shan, Fo Shan and certain other medium-sized cities' suburban areas was to be 1.2 yuan; in Zhan Jiang, Gao Yao, Shao Guan, and Hui Yang S.D.'s the average was to be 0.9 yuan, and in He Pu S.D. and Hainan Administrative Area 0.8 yuan.⁽¹⁹⁸⁾ In reality, the variation in the value of the labour day may well have been a good deal wider than this, as Table 4.25 suggests. Only one of the values given there fall inside the boundaries set for the broad areas, and the highest recorded labour day value is 6.75 times as great as the lowest. The number of examples cited is too small to draw firm conclusions, but the table does tend to indicate that the average level in the Pearl River Delta was generally above that in the other parts of the province.

Within a relatively limited area, such as a xian or even a municipality the variation between APC's in the value of the labour day could be wide, as Table 4.26 shows. In De Qing xian, for example, out of 245 APC's surveyed, the average value of the labour day in 1956(?) was 0.4-0.5 yuan,

Table 4.25 Average value of the labour day in different parts of Guangdong (Unit: yuan)

xian/shi	Area	Year	Yuan
Guangzhou municipality (1 APC)	Central District; Pearl River Delta	1955	1.35
Shi Qi municipality (16 APC's)		1956	1.2
Zhu Hai xian (1 APC)		1955	2.7
De Qing xian (245 APC's)	Central District; Non-Pearl River Delta	1956(?)	0.4-0.5
Zeng Cheng xian (1 APC)		1956	0.7
Cheng Hai xian (1 APC)	Eastern District	1956	1.4
Ping Yuan xian (6 APC's)	Western District	1956(?)	0.45
Qing Yuan xian (1 cun)	Northern District	1956	1.5
Jiao Ling xian (7 APC's)		1956	0.54

Source: Appendix D, Table 15.

Table 4.26 Intra-xian variation in value of labour day (Unit: yuan)

xian name	No. of APC's surveyed	Year	Highest	Average	Lowest
De Qing (1)	245	1956(?)	1.06	0.4-0.5	n.a.
Shi Qi municipality	16	1956	1.8	1.2	1.0
suburban xiang (2)		1957	2.2	1.6	1.2
Ping Yuan (3)	6	1956(?)	0.60	0.45	0.28

Sources: (1) Wu Yang-an, 'The victory of co-operativisation is encouraging us to march forward', NFRB, 18th August 1957.

(2) 'Show the facts of the villages to the rightist party', NFRB, 9th August 1957.

(3) 'The peasants' living standard has risen greatly', NFRB, 12th July 1957.

and the highest APC had a value of 1.06 yuan. In Ping Yuan xian in 1956(?), out of six APC's surveyed, the highest had a labour day value of 0.60 yuan and lowest 0.28 yuan.

Several provinces in the mid-1950s had collected data on inequalities in regional net income which they released during the arguments in 1957 over peasant income. They show big differences in average net income depending on the type of agriculture carried on in each area. In Shenxi province in 1956, average net income per capita of the agricultural population came to 64.3 yuan for the whole province, but in the industrial crop-growing areas the average was 125.7 yuan; in the main grain-producing areas, the average was 75.2 yuan, in the hilly areas, 42.8 yuan, and in the extremely poor mountainous regions, and disaster-stricken regions, the average was only 19.3 yuan. In the richest xian in Shenxi in 1956, average net per capita income per peasant came to 172.3 yuan and in the two poorest, 15.6 yuan (see Table 4.27). In Anhui province in 1956 the average net per capita income of middle peasants in a representative APC in different kinds of area was as follows: plain area = 71.6 yuan, mountain region = 78.3 yuan, plain cotton-growing region = 90.4 yuan, and dyked area along the river = 104.2 yuan. The 'poor' peasants in the dyked area had an average net income per capita 37.2 per cent higher than the 'middle' peasants in the plain area (see Appendix D, Table 17).

The most comprehensive data on intra-provincial regional inequality was probably that for Jiangsu. In 1956, average net income (jing shou-ru) per capita for the peasants came to 66.6 yuan in a miscellaneous grain-growing area, 76.7 yuan in a rice and wheat area, 77.1 yuan in a mountainous area, 89.5 yuan in an area bordering the river and the sea, and 121.6 in an area producing aquatic products.⁽¹⁹⁹⁾ Average per capita net income of peasants in Jiangsu in 1955 came to more than 100 yuan in two xians, 70-99 yuan in 23 xians and municipalities, 20-49 yuan in 14 xians and municipalities and 19.5 yuan in one xian.⁽²⁰⁰⁾ Even taking the contrast between the larger administrative area, the special district, the contrasts in Jiangsu are striking, with the average net per capita in the highest, Song Jiang, standing at 2.8 times that in the lowest, Hui Yin S.D. (see Table 4.28). The contrast is even more striking if the S.D.'s are grouped by geographical characteristics, since Zhen Jiang, Su Zhou, and Song Jiang S.D. all are in the highly-developed area south of the Yangzi. This area has a strong concentration of fertile land, and access to large urban markets, notably Shanghai, but also such large cities as Suzhou and

Table 4.27 Average net income (jing shou-ru) of agricultural population
in Shenxi province in 1956 (Unit: yuan per capita)

Area	Yuan	% of agricultural population
All-province	64.29	100 (a)
i) Industrial crop area (in which: highest xian = 172.3 yuan in which: highest APC = 212 yuan)	125.7	15.3 (b)
ii) Main grain producing area	75.2	41.4 (c)
iii) Hilly area	42.79	34.6 (d)
iv) Extremely poor mountainous area, and disaster-stricken area (in which: two poorest xians = 15.64 yuan)	19.25	8.7 (e)

Source: Tan Zhen-lin, 'Preliminary survey ...'

Notes: (a) Total number of households = 328,432; total number of people = 1,564,255.

(b) Total number of people = 2.320 million; income figure from a survey of 140,000 people.

(c) Total number of people = 6.2 million; income figure from a survey of over 660,000 people.

(d) Total number of people = 5.24 million; income figure from a survey of over 740,000 people.

(e) Total number of people = 1.32 million; income figure from a survey of 3,600 people.

Table 4.28 Average net income (jing-shou-ru) per capita for peasants in different parts of Jiangsu province, 1955.⁽¹⁾

Area	Yuan
Whole province	49.9
Huai Yin S.D.	28.22
Xu Zhou S.D.	35.42
Yan Cheng S.D.	39.62
Nan Tong S.D.	42.20
Yang Zhou S.D.	44.30
Zhen Jiang S.D.	70.34
Municipalities	70.42
Su Zhou S.D.	77.62
Song Jiang S.D.	78.36

Source: Tan Zhen-lin, 'Preliminary survey ...'

Note: (1) For APC members participating in collective income distribution.

Nanjing. The other S.D.'s are all to the north of the Yangzi: Nan Tong and Yang Zhou border the Yangzi river, Yan Cheng is on the coast, Hui Yin in the centre, and Xu Zhou in the north of Jiangsu.

A compilation of comparable data is not available for Guangdong province and it is difficult to arrive at a meaningful series of figures. In addition, xian-level data is not often available and reliance on information from one or a few APC's is not really satisfactory. The most that can be said from Table 4.29 is that none of the Pearl River Delta or neighbouring xians (Zhong Shan, Gao Yao, Xin Hui, Zeng Cheng, and Xin Xing) or Eastern District xians for which data is available had low net incomes per capita. The Northern and Western Districts by contrast contain xians that may have had much lower levels of average per capita income: in Qing Yuan xian average net peasant income per capita came to approximately 25 yuan in 1956, compared to approximately 85 yuan in Xin Hui xian.

A factor of particular importance in regional income differentials in Guangdong is the overseas Chinese. In the mid-1950s it was said that

about 6½ million people from Guangdong were living outside the People's Republic of China.⁽²⁰¹⁾ Their home villages were quite spatially concentrated, the xians with the greatest proportion of overseas Chinese being Tai Shan, Mei xian, and Kai Ping. In 1957, remittances from overseas Chinese amounted to 120 per cent of the value of agricultural production in Tai Shan, 90 per cent in Kai Ping, and 50 per cent in Mei xian.⁽²⁰²⁾

Table 4.29 Net peasant income per capita in Guangdong, 1956 (Unit: yuan)

xian name	yuan	Area
Gao Yao xian (1 xiang)	86.4	Central District
Xin Hui xian	85 (approx)	
Xin Xing xian	71 (a)	
Zeng Cheng xian (1 APC)	62.9	
Zhong Shan xian (3 APC's)	81.7-101.5 (b)	Eastern District
Cheng Hai xian	71.9 (a) (b) (c)	
Mei xian	78	
Jiao Ling	70 (a) (c)	Northern District
Qing Yuan	25 (approx) (c)	
Xin Feng	65-70(a)	
Ping Yuan (6 APC's)	38.1	Western District
Xu Wen (3 APC's)	165.5	
Yang Jiang (1 APC)	46.5 (a) (b)	

Source: Appendix D, Table 18.

Notes: (a) 'shou-ru', i.e. not specifically net income, but likely to be from the context.

(b) Includes private sideline income.

(c) Excludes private sideline income.

Reasonable information is available for Guangdong on local net income inequality. For example, a survey of 2,622 APC's in Zhong Shan, Cheng Hai, Gao Yao, Guang Ning, and Qiong Shan xians found that in 1956 9.23 per cent of the APC's were at the 'well-off middle peasant' net income level, 13.54 per cent were approaching that level, 48.38 per cent were at the 'lower middle peasant' level, and 28.55 per cent were still at the 'poor peasant' level.⁽²⁰³⁾ Similar information for Qu Jiang xian at the end of 1956 showed in a survey of 259 out of the 277 APC's in the

Table 4.30 Net income per capita in different APC's in Northern Guangdong, 1956 (Unit: yuan)

Area/APC	<u>Net income per capita:</u>	
	(i) from APC	(ii) from private sideline production
Qing Yuan xian:		
i) Shi Ban APC	122	26
ii) Tai Yang Sheng APC	61	n.a.
iii) Nan Xing APC	45	26.6
Qing Yuan xian, Yuan Tan qu:		
i) Tuan Jie APC	86	20
ii) Xing Lian APC	46	n.a.
iii) Jin Xing APC	62	n.a.
Qu Jiang xian, Ma Ba qu:		
i) Ma Ju APC	91	n.a.
ii) Shi Bao Yi APC	89	10
iii) Xiao Keng Yi APC	49	n.a.
Shao Guan municipality, suburban area:		
i) Xi Xiang APC	62	n.a.
ii) Nan Xiang APC	80	20
iii) Dong Lian APC	42	n.a.
iv) Bei Xiang APC	69	25

Source: Peng Xiao-fan, 'One cannot speak nonsense ...'

Table 4.31 Income and purchasing power of peasants in different parts of Guangdong, 1952⁽¹⁾ (Unit: yuan per capita)

Item	(a) Qu Jiang xian, Da Cun cun	(b) Sui Xi xian, Gan Lin cun	(c) Ying De xian, Lian Tang cun	(d) Gao Yao xian, Gai Zhang cun	(e) Hui Yang xian, Ai Po cun	(f) Zhong Shan xian, Gang Kou cun
Gross income	75.6	78.3	64.6	80.5	92.4	155.9
Cash income	30.0	30.9	32.6	39.9	50.8	76.3
Commodity purchasing power of which:	25.2	24.2	30.6	33.3	43.6	60.2
A. Livelihood materials of which:	20.98	16.08	24.91	29.12	27.62	47.42
i) Grain	2.09	2.12	4.54	9.78	2.51	1.25
ii) Subsidiary foods	7.92	7.65	9.93	9.39	11.55	22.23
iii) Fuels	1.21	0.45	1.87	2.23	1.55	2.33
iv) Clothing	6.77	2.89	3.89	1.79	5.48	5.75
v) Health	0.39	0.42	0.45	1.44	1.32	3.17
vi) Other	2.59	2.65	4.19	4.59	5.21	12.69
B. Means of production of which:	4.23	8.09	5.71	4.14	15.93	12.86
i) Farm tools	0.77	1.09	1.04	1.32	2.99	2.23
ii) Livestock	3.18	2.45	2.56	1.66	5.91	1.42
iii) Fertiliser	0.03	3.18	1.92	0.31	5.13	3.14
iv) Other	0.25	1.37	1.91	0.86	3.69	6.07

Source: Chen Ying-zhong, 'Guangdong province village purchasing power steadily advances', NFRB, 10th January 1953

Notes: The villages (cun) in this table were "all most carefully selected to represent the normal production circumstances of each xian". The different areas were described as follows: (a) relatively poor; (b) relatively poor; (c) relatively poor; (d) average; (e) upper average; and (f) relatively well-off.

(1) Old yuan converted to 'new' yuan at the rate of 10,000 : 1.

xian, that 103 (40 per cent) had an average income per APC member of 100-200 yuan, equivalent to the local well-off middle-peasant level; 124 (48 per cent) had an average income of 70-100 yuan, equivalent to the local middle peasant living standard, and 32 (12 per cent) were still living at the local poor peasant living standard with less than 70 yuan average per capita income. (204)

Even within a qu or a municipality, the variations in average income levels between APC's could be substantial. In Qing Yuan xian's Yuan Tan qu in 1956 average income per capita from the APC came to 86 yuan in Tuan Jie APC, 62 yuan in Jin Xing APC, and 46 yuan in Xing Lian APC. In the suburban area of Shao Guan municipality average per capita income from the APC came to 80 yuan in Nan Xiang APC, 69 yuan in Bei Xiang APC, 62 yuan in Xi Xiang APC, and 42 yuan in Dong Lian APC (see Table 4.30).

Purchasing power shows only the availability of cash to buy commodities and is accordingly less interesting than net income as a guide to living standards. Moreover in the APC's a portion of total purchasing power was spent by the collective rather than the individual peasant. The post-Liberation government inherited a situation of wide regional differentials in per capita purchasing power in the villages. Per capita peasant purchasing power in representative villages in 1952 ranged from 24.2 yuan in Sui Xi xian (Western Guangdong), to 25.2 yuan in Qu Jiang xian (Northern Guangdong), 30.6 yuan in Ying De xian (Northern Guangdong), 33.3 yuan in Gao Yao xian (Central Guangdong), 43.6 yuan in Hui Yang xian (Eastern Guangdong), and 60.2 yuan in Zhong Shan xian (Central Guangdong) (see Table 4.26). The differences in purchasing power were especially important in two respects. The better-off xians in relation to per capita purchasing power were able to buy much more subsidiary food and means of production than the other xians. The expenditure on subsidiary foods was 11.6 yuan per capita in Hui Yang xian and 22.2 yuan in Zhong Shan xian; the expenditure in the other four xians ranged from 2.1 yuan to 9.8 yuan. The expenditure on means of production was 15.9 yuan in Hui Yang xian and 12.9 yuan in Zhong Shan xian; the expenditure in the other xians ranged from 4.1 yuan to 8.1 yuan (see Table 4.31). The proportion of the village population at different levels of purchasing power were said to be as follows in Guangdong in 1952 (205) :-

Area	yuan	% village population (approx.)
North River	21-30	50
West Guangdong		
Yuan-Xing Mei area		
Hainan Island		
Central Guangdong (2/3 of)	30-40	20
Central Guangdong (1/3 of)	60-70	30
East Guangdong (apart from Xing-Mei area)	40-50	

In the middle of the 1950s there still were considerable inequalities in purchasing power per capita between the peasants in different parts of Guangdong (see Table 4.32). Per capita peasant purchasing power in Fo Shan S.D. was 41.8 per cent above the average for the whole province, and 169 per cent above the average for Hainan Island. The other areas in which the level of per capita peasant purchasing power was higher than the provincial average were Gao Yao xian on the western edge of the Pearl River Delta, and Hai Feng xian on the west of the Shan Tou Plains.

Table 4.32 Average per capita peasant purchasing power in Guangdong, 1956

Area	Yuan
Fo Shan S.D.	111
Gao Yao S.D.	58.1 (all population)
of which: Huai Ji xian	56.9
Gao Yao xian	86
Hai Feng xian	91.3
Hai Kang xian	55.0
Hainan Island	41.3
All Guangdong	78.3

Source: Appendix D, Table 2.

Better data on regional inequalities in purchasing power is available for other provinces. For example, in neighbouring Jiangxi province in 1956 average per capita peasant purchasing power in mountainous areas

was only 29 yuan; in grain-growing areas it came to 39 yuan, in economic crop-producing areas, 43 yuan, and in suburban areas, 63 yuan.⁽²⁰⁶⁾

Between different types of area, then, considerable income inequalities existed in the Chinese countryside in the 1950s, even after the massive institutional upheavals of land reform and collectivisation. A final factor that has to be considered is whether differentials in real income were constrained by the operation of various forms of rationing. The system of grain acquisition has been discussed in detail already (earlier in this chapter and in chapter 2). It should be noted that all the items of consumption, grain is without doubt that for which it is most difficult to obtain unambiguous, comparable data. In grain consumption, as in grain production, several problems exist. For example, there is the question of whether a figure for 'grain' consumption includes only staple grains or also includes coarse grain. There is also the issue of whether a particular figure refers to personal consumption (usually kou-liang) or to grain 'retained' (liu-liang). Sometimes this difficulty is compounded by a reference to personal grain consumption 'retained', and occasionally reference is made simply to grain 'consumption' (xiao-fei) per capita, leaving no indication at all of whether seeds and fodder have been included. As one moves further away from the provincial-level, so there appears to be a tendency for there to be less precision in the data presented on grain consumption, as can be seen in the wide variety of forms in which data exists at the S.D. and xian level in Guangdong (see Appendix D, Table 22).

To convert each item to a common basis for comparison is extremely difficult, if not impossible to accomplish accurately, due to the ambiguities in the original data. The most that can be done is to make a series of crude assumptions about various aspects of the data and produce rough figures of the relative levels of consumption. This has been done in Table 4.33 but it must be emphasised that the possibilities of error are great. It has been assumed that all the data contained in this table refers to unhusked grain. In the retail of grain, the term liang-shi usually implied husked grain,⁽²⁰⁷⁾ but in all the cases in Table 4.33 where more precise terminology was available, the reference was to unhusked grain. It has been assumed that unless specifically stated otherwise, data for 'grain' consumption (liang-shi, kou-liang, or liu-liang) included both staple grain (zhu-liang) and coarse grain (za-liang), with potatoes converted to their rice-equivalent.

What is striking about the data is the relatively small degree of inequality in total personal unhusked grain consumption between peasants in different parts of Guangdong. All of the S.D.'s in 1956 probably fall between 450 and 550(+) jin, and out of the 27 xians for which some kind of reliable data is available, 18 had between 500 and 550 jin, and 25 between 450 and 600 jin (see Table 4.29). Some tentative confirmation of this picture is given by data on intra-xian inequality in grain consumption. For example, in Jiao Ling xian in the mountainous parts of Eastern Guangdong, a survey of 192 APC's between August 1956 and July 1957 showed that 67 (35 per cent) had 480 to 500 jin to retained grain (lin-liang) per capita, 100 (52 per cent) had 501 to 550 jin, 19 (10 per cent) had 551 to 600 jin, and only 6 (3 per cent) had more than 600 jin.⁽²⁰⁸⁾ So, in Jiao Ling xian, the overwhelming majority (87 per cent) of APC's had per capita grain consumption levels that fell within the relatively narrow range of 480 to 550 jin. It appears then, that the policy of unified purchase and supply of grain had a definite effect in constraining differentials among farmers in consumption levels of the most important single item, grain.

While differentials in total grain supply may have been constrained there is no doubt that the quality of grain eaten differed greatly between areas. This is illustrated clearly by the data on the planned supply of rice (dao-gu) to different kinds of area in 1955. The amount of rice (dao-gu) that was to be supplied as 'retained grain' (liu-gu, i.e. including seed and fodder) to different types of areas was as follows: (1) sandy soil (sha-tian) = 600-650 jin; (2) high-output areas producing only a small amount of coarse grain = 500-570 jin; (3) average hilly areas with a relatively large amount of coarse grain = 400-450 jin; (4) mountainous areas mainly producing sweet potatoes and coarse grain, which form the main item of personal grain consumption = 280-380 jin;⁽²⁰⁹⁾ (5) economic crop-growing areas = 430-450 jin.⁽²¹⁰⁾ The inclusion of coarse grain would naturally make the final total of per capita consumption much higher in areas with a low total of food grain consumption.

In the early 1950s before rationing of non-grain items began, regional inequalities in the level of purchases of some important items were very large indeed in Guangdong province. A survey of carefully-selected representative villages in five xians was made in 1952, and the levels of purchases there compared with those of a hired peasant in Zhong Shan xian (see Table 4.34). The differences in some commodities were very wide indeed: the purchase of fish by the hired peasant in Zhong Shan

Table 4.33 Estimates of personal grain (principal plus coarse) consumption of peasants in different parts of Guangdong, 1956
(Unit: jin (unhusked) per capita)

Area	jin	
Fo Shan S.D.	500-570 (a)	
Gao Yao S.D.	>(400-450) (a) (b)	
Hainan Island	500-570 (c)	
Hui Yang S.D.	542	
Shan Tou S.D.	456	
Shao Guan S.D.	516	
Zhan Jiang S.D.	400-600(+) (a)	
<u>Central District</u>		
Bao An xian	514	
Fan Yu xian	550	Pearl River Delta
Nan Hai xian	550	
Shun De xian	480-550	
Xin Hui xian	550	
Zhong Shan xian	550	
De Qing xian	500	
Gao Yao xian	548	
Guang Ning	500-510	Non- Pearl River Delta
Huai Ji xian	>450 (d)	
Luo Ding xian	>500 (a) (d)	
Po Luo xian	560-630 (a)	
Tai Shan xian	500-550	
Xin Xing xian	>510	
<u>Eastern District</u>		
Chao An xian	>476	
Hai Feng xian	>500	
Jiao Ling xian	540	
Lu Feng xian	>300-340	
Rao Ping xian	480	
<u>Northern District</u>		
He Ping xian	484	
Lian Ping xian	540-600 (a)	
Lian Shan xian	600	
Qing Yuan xian	>500	
Qu Jiang xian	500-560 (a)	
Xin Feng xian	480-540 (a)	
<u>Western District</u>		
Ping Yuan xian	540	
Sui Xi xian	>300 (d)	

Source: Appendix D, Table 22.

Notes: (a) On the crude assumption that seed and fodder amounted to 10-20 per cent of grain retained.

(b) On the assumption that in this area coarse grain consumption was not negligible.

(c) On the assumption that the Hainan Island figure for grain 'consumed' is for grain 'retained'.

(d) On the very crude assumption that coarse grain consumption in this area amounted to at least one-half of the level of personal consumption of rice.

xian was 52 times as great as in the lowest xian, and the purchase of sugar more than thirteen times as great. On the basis of this it would seem that in the early 1950s the levels of market purchases of basic necessities was much higher in the Pearl River Delta on a per capita basis than elsewhere in the province, even though there were considerable inequalities between different areas there also.

Table 4.34 Per capita peasant purchases in five xians (a) relative to a hired peasant in Zhong Shan xian

Item	Unit	Highest xian	Lowest xian	Average xian	Hired peasant in Zhong Shan xian ^(b)
Pork	jin	6.1	2.0	4.4	n.a.
Edible oil	jin	6.0	3.0	5.0	7.0
Salt	jin	20.0	8.0	13.0	n.a.
Sugar	jin	2.6	0.5	1.9	6.7
Fish	jin	9.3	0.8	3.6	42.0
Kerosene	jin	2.5	0.6	1.6	n.a.

Source: Chen Ying-zhong, 'Guangdong province village purchasing power ...'

Notes: (a) The data from the five xians (Ying De, Gao Yao, Hui Yang, Sui Xi, and Gao Yao) was from one village in each xian. They were "most carefully selected to represent the normal production situation in each xian".

(b) Hired peasant Ma Lin-nu in Gan Kou cun.

It is likely that the system of planned purchase and supply reduced regional inequalities in the levels of per capita consumption of basic goods. For example, in 1955, the amount of edible oil that was fixed for supply to rural inhabitants varied as follows: All Guangdong = 3.5 jin; Western and Eastern District = 3.4 jin; Central District = 3.86 jin; Northern District = 3.5 jin; and Hainan Island = 3.0 jin.⁽²¹¹⁾ In the planned supply of sugar the villages were divided into three groups with a diminishing level of supply: the major producing areas, the semi-producing areas, and the consuming areas. The planned supply per capita to the villages came to 5.25 jin for the whole province, 6.4 jin in the Eastern District, 7.0 jin in the Central District, 5.0 jin in the Western District, 5.5 jin in Hainan, and 4.5 jin in the Northern District.⁽²¹²⁾ However, a clear recognition of the need to maintain regional differentials even in items subject to planned supply was made by the government⁽²¹³⁾:

Regardless of whether it is edible oil or domestic sugar, within the same administrative area and between xian and xian, according to the differences in concrete circumstances, in customs and purchasing power, we can suitably make necessary arrangement and adjustment: the amount can be suitably raised in areas with relatively high purchasing power, and lowered in areas with relatively low purchasing power ...

Thus, the differentials between broad districts outlined above, would almost certainly have been compounded by differentials within those districts. For example, in the case of the Central District, for both the supply of edible oil and domestic sugar, the level was the highest in the province. However, it has been seen that the level of per capita net income was almost certainly higher in the Pearl River Delta than in the West River portion of the Central District, so that the level of per capita consumption in the Pearl River Delta xians in 1955 would have been on average above 3.86 jin of edible oil and 7.0 jin of domestic sugar. (214)

It appears that the gap in per capita material consumption of basic necessities in the countryside was probably reduced by the operation of planned purchase and supply in the mid-1950s. However, it has been seen that the inequalities in the consumption of items subject to planned purchase and supply was not negligible, and was greater than it appears to be at first sight. Moreover, many important items were not subject to planned purchase and supply. Until late 1956 pork was not 'rationed' and neither in the mid-1950s were, for example, eggs, fish, or meat, other than pork. It was seen that in respect to urban-rural inequality, the gap in the consumption levels of such items was much greater than for 'rationed' goods. It seems reasonable to suppose that within the rural areas the regional gap in per capita consumption levels was also greater in such items, though unfortunately there is no satisfactory data on this subject for Guangdong in the 1950s.

It would be useful to be able to supplement the information on material consumption with data on regional differentials in health, education and housing standards for the farmers of Guangdong in the 1950s. Health and education, as has been noted already, were organised collectively in the APC's, and it would be expected that the quality of health and educational facilities would vary with the level of per capita incomes. Similarly, housing is primarily undertaken by individual households, and so might be expected also to vary with the level of per capita income.

Conclusion

The post-revolutionary government in China inherited a situation in which, because of differences in natural conditions, location relative to markets, and the distribution of rural population in relation to farm resources, output per unit of farmland and output per person varied greatly within the rural areas of a province the size of Guangdong. In the pre-revolutionary context payment of land rent and perhaps also (to a lesser degree) the operation of the tax system, had restricted to a certain extent dimensions of income inequalities between farmers in different areas.

Between 1949 and 1957 massive changes took place in the nature of village institutions, notably the implementation of a sweeping land reform redistributing around two fifths of the arable land in Guangdong province, and the formation of APC's in 1955-6, in which the long-established pattern of individual farm ownership and decision-making was abandoned in favour of a collective structure. Of the two it was land reform that had potentially much the greater impact on regional income differences. In the absence of countervailing measures it is likely that land reform would have markedly increased regional income differentials by permitting more productive areas to retain the 'differential rent' element in output that previously had been 'collected' through the payment of land rent, and, to a lesser extent, agricultural tax.

A variety of measures tended to prevent differentials widening as a result of land reform as much as they would have in the absence of such measures. Most important was the implementation of a progressive agricultural tax which was introduced not only explicitly to control income differentials but also to extract resources for the investment programme in the non-farm sector. Regional differences in consumption also were restricted by the various controls that were introduced over the supply and marketing of key items of farm consumption. Moreover, an important by-product of the state's policy on national grain-self-sufficiency and guaranteed minimum supplies to all areas, was the tendency to push areas with the potential for more diversified production into growing a greater amount of grain (to meet state quotas) than they wished at the prevailing set of prices (substantially unchanged since pre-1949).

However, state taxation probably took a considerably smaller share of farm output than pre-liberation farm taxes and land rents, so that farmers in areas with higher levels of output per person may well have been able to retain a larger share of the surplus they produced than before 1949. Moreover, the absolute level of the tax did not rise after 1954 in Guangdong. Consequently, increments to income were not taxed away in any degree.

The data from the mid-1950's suggest that there were large net income differences between peasants in different parts of the province, with the higher incomes tending to be found in the more fertile areas in the delta regions of Guangdong close to the large urban markets. The data used in this chapter do not permit an unambiguous conclusion to be drawn but it is quite possible that the net effect of the measures taken between 1949 and the mid-1950's was to permit a widening of the gap in income between these and the less-favoured parts of the province. This is not inconsistent with considerable resentment being felt in the better-off areas against government policies that prevented them allocating resources in an income-maximising fashion.

INEQUALITIES WITHIN THE VILLAGES

Inequalities between town and countryside emerged in the 1950s as a major political issue in China and one with important economic implications, notably in respect to the movement of labour between rural and urban areas. The regional aspect of income inequality has been a constant concern of economic policy-makers in China, having strong connections with the capacity to sustain peasant work motivation and incentives to accumulate capital. It might be argued, however, that it is at the intra-village level that the connection of income inequality with political economy is strongest, since here the link between inequality and peasant work motivation is the most intimate.

It can further be argued that the nature of income distribution within the village is of broader significance to Chinese political economy, in that it is the most immediate frame of reference by which the peasantry judge the ruling regime in respect to income distribution. There is much evidence that Chinese peasants are aware of their income levels relative to urban workers and, to a lesser extent, relative to peasants in other parts of the countryside. However, their awareness of income distribution at the most local level obviously is much more detailed, so that if a large body of peasants felt dissatisfied with policy in this area it might well lead to greater political discomfort for the regime than a perceived mishandling of other dimensions of income inequality.

1. THE INHERITED STRUCTURE OF INTRA-VILLAGE INEQUALITY

At the heart of economic inequality in the villages lay access to farmland. The essential feature was a marked inequality in ownership but much less inequality of use. The data in Tables 5.1-5.2, from a wide variety of areas in China, illustrate this contrast clearly. However, pre-capitalist agrarian relations rarely can be encapsulated in neat categories. In China this is as true as anywhere. A large amount of rented land in the villages

Table 5.1 Ownership of farmland in different parts of China before land reform. (%)

Area	Year	Landlords house- holds	Rich peasants popula- tion	Middle peasants house- holds	Poor and hired peasants popula- tion	Other house- holds	Other populat- ion									
Song Jiang province, Tong Hexian, 3 villages ¹	1946	2.7	n.a.	51.8	4.9	n.a.	16.8	21.4	n.a.	15.7	70.2	n.a.	15.8	0.8	n.a.	n.a.
Tibet, 5 special districts	1951	n.a.	6.7	n.a.	n.a.	5.8	12.5	n.a.	29.7	29.1	n.a.	55.4	18.5	n.a.	2.4	0.3
Gansu province, Huixian, Si Ning administrative village, 6 villages	1950	0.9	2.2	37.6	0.6	1.6	8.2	25.5	25.3	40.3	72.9	70.9	13.9	-	-	-
Shenxi province, Wu Qiang city, No. 1 administrative village	1951	n.a.	20.3	31.3	n.a.	5.0	5.4	n.a.	54.0	52.0	n.a.	20.6	10.7	-	-	-
Henan province, 5 villages ²	1951	n.a.	5.8	43.0	n.a.	5.2	17.0	n.a.	28.5	29.9	n.a.	60.0	11.0			
Southern Jiangsu province (Su Nan), 25 xian, 973 villages ²	1950	3.6	3.1	36.2	2.1	2.9	6.5	30.6	34.9	31.6	54.5	50.6	19.4	9.2	8.5	6.2
Jiangxi province, 28 villages ²	1950	n.a.	3.9	30.6	n.a.	5.2	12.6	n.a.	28.8	32.2	n.a.	56.6	21.4	n.a.	5.4	1.8
Hunan province, 13 villages ³	1950	n.a.	3.0	55.0	n.a.	5.0	13.0	n.a.	30.0	26.0	n.a.	49.0	7.0	n.a.	13.0	n.a.
Hubei province, Huang Pei (special district ?) Fang Hai qü, 14 administrative villages	1950	3.6	3.9	31.9	2.7	3.1	7.7	21.8	24.1	26.6	62.7	61.5	28.3	9.2	7.5	2.1

Continued ...

Table 5.1 Continued ...

Area	Year	landlords house- holds	popula- tion	land	Rich peasants house- holds	popula- tion	land	Middle peasants house- holds	popula- tion	land	Poor and hired peasants house- holds	popula- tion	land	Other house- holds	popula- tion	land
Sichuan province, 8 xians, 12 villages ³	1950	7.0	6.5	60.0	3.3	4.3	14.1	9.3	10.9	17.5	78.6	77.1	8.4	1.3	1.0	-
Guizhou province Guizhu (xian ?)	1951	3.2	4.6	45.2	5.2	7.3	16.4	24.6	26.9	28.3	60.6	56.9	9.0	6.4	4.3	1.1
Meng Guan village ⁴																
Yunnan province, Yang Shun (xian ?)	1950	4.0	7.0	Paddy 32.4	4.0	4.0	Paddy 11.5	28.0	30.0	Paddy 39.9	64.0	59.0	Paddy 16.2	-	-	-
Liu Zhao village ²				Dry 21.2			Dry 13.9			Dry 49.5			Dry 15.4			

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Source: Yan Zhong-ping, et al., Statistical Materials on Modern Chinese Economic History
(Zhong-guo jin-dai jing-ji-shi tong-ji zi-liao xuan - ji) Ke-xue chu-ban-she:
Beijing, 1955, pp. 278-9.

Notes: (1) village = 'tun'.
(2) village = 'cun'.
(3) village = 'bao' (walled village).
(4) village = 'xiang'.

Table 5.2 Amount of land cultivated by each peasant class in different parts of China in 1933. Unit: mou

Area	Aggregate	Landlords	Rich peasants	Middle peasants	Poor and hired peasants	Other
Shenxi province, Wei Nan (xian) 4 villages	21.86	34.67	57.36	32.20	14.61	2.14
Shenxi province, Feng Xiang (xian) 5 villages	12.28	-	70.40	36.42	8.47	-
Shenxi province, Sui De (xian) 4 villages	11.61	30.75	36.83	18.82	9.18	-
Hebei province, Bao Ding (xian) 10 villages ¹	16.75	-	62.29	23.67	7.06	-
Henan province, Zhen Ping (xian) 6 villages	13.95	5.04	48.74	32.60	6.45	-
Henan province, Hui xian, 4 villages	24.23	10.37	87.00	31.27	10.09	-
Henan province, Xu Chang (xian) 5 villages	12.63	24.00	46.00	18.37	7.80	-
Jiangsu province, Yan Cheng (xian) 7 villages	-	-	73.80	21.90	6.10	-
Jiangsu province, Qi Dong (xian) 8 villages	13.25	40.00	50.32	14.96	5.19	-
Jiangsu province, Chang Shan (xian) 7 villages	8.66	10.50	26.67	15.07	5.12	-
Zhejiang province, Long You (xian) 8 villages	12.29	34.78	30.51	18.13	8.18	0.44
Zhejiang province, Dong Yang (xian) 8 villages	3.50	24.50	13.15	9.97	3.63	1.30
Zhejiang province, Chong De (xian) 9 villages	7.97	10.77	21.76	11.02	6.62	-
Zhejiang province, Yong Jia (xian) 6 villages	5.53	22.00	26.53	21.08	4.70	0.43
Guangdong province, Fan Yu (xian) 10 villages	9.60	-	25.50	11.70	5.70	-
Guangxi province, Cang Wu (xian) 6 villages ²	9.80	6.60	20.90	11.10	4.70	-
Guangxi province, Gui Lin (xian) 9 villages ²	11.10	19.40	34.30	16.00	6.30	-
Guangxi province, Si En (xian) 7 villages ²	8.80	2.00	26.90	12.10	5.30	-

Source: Yan Zhong-ping, et al., Statistical Materials on Modern Chinese Economic History, pp. 283-4.

- Notes: (1) Figures are for 1930. 'Rich peasants' include farming landlords.
 (2) Figures are for 1934.
 (3) The 'villages' all are 'cun'.

was, for a variety of reasons rented out by people who themselves were cultivators both large and small, so that even the division of a village into 'landlord' and 'peasant' is fraught with difficulties.

With this overall picture and the necessary qualifications in mind, what can be said about the situation in Guangdong province? Here the picture is complicated further by the special importance of land owned by corporate bodies, of which the clan was much the most important. These corporate bodies are estimated to have owned 'no less than 35 per cent' of the entire cultivated area in the province in the 1930s.⁽¹⁾ The Guangdong People's Government Land Reform Committee estimated that before land reform, the 'landlords' and corporate bodies together owned 60 per cent of the total amount of farm land.⁽²⁾ The 'rich peasants' together with the landlords and public bodies were said to own 65 per cent of the total amount of land while the 'poor and hired' and 'middle' peasants, amounting to more than 70 per cent of village households, owned about 30 per cent of the province's farmland.⁽³⁾

The presence of a small group at the top of the village economic structure which owned a relatively large proportion of privately-owned farmland is confirmed by the detailed studies in Guangdong of C. K. Yang and Chen Han-seng. In Nanjing village in the Pearl River delta, Yang found that a small group of only five families (2.5 per cent of the total number of agricultural families) owned fully 25.8 per cent of the privately owned cultivated land in the village.⁽⁴⁾ At the other extreme stood a small group of about 20 families (8.7 per cent of the total) who owned no land at all, while between these two extremes 'land ownership seemed to be quite diffused'.⁽⁵⁾

In Fan Yu xian (also in the Pearl River delta), which was fertile, highly commercialised, and had a high rate of tenancy, Chen's study of 923 agricultural households⁽⁶⁾ in 10 'representative' villages in 1933 showed that the 'rich peasants' who comprised only 11.6 per cent of the

5.3 Land ownership among different peasant classes in Fan Yu xian in Guangdong province in 1933
(10 representative villages)

Peasant class	No. of families	Proportion of families (%)	Proportion of total land (%)	Average per family (mou)
Agricultural labourers	83	9.0	0)	
Poor	540	58.5	22.1)	0.87
Middle	193	20.9	28.3	3.57
Rich	107	11.6	49.6	11.33
Total	923	100.0	100.0	2.65

Source: Chen Han-seng, Landlord and Peasant in China, p.126

Note: The total amount of land owned by the 923 peasant families in the 10 villages surveyed by Chen in Fan Yu xian was only 2,442.3 mou, compared to a total cultivated area of 8,056 mou (ibid., pp. 126 and 129).

5.4 Frequency distribution of size of holding by land owned and land cultivated, among peasant families in Fan Yu xian, Guangdong province, 1933 (10 representative villages)

Amount of land (mou)	Land owned No. of families	% of families	Land cultivated No. of families	% of families
0	480	52.0	83	9.0
0.1 - 5.0	316	34.2	364	39.4
5.1 - 10.0	80	8.7	243	26.3
10.1 - 20.0	30	3.3	150	16.3
20.1 - 30.0	8	0.9	48	5.2
30.1 - 50.0	5	0.5	25	2.7
> 50	4	0.4	10	1.1
	923	100.0	923	100.0

Source: Chen Han-seng, Landlord and Peasant in China, pp. 126 and 128.

Table 5.5 Proportion of peasant households cultivating different farm sizes in 22 xians in Guangdong province in 1927. (mou)

xian name	< 10	10-19	20-29	> 30
Xin Yi	90	10	-	-
Hua xian	80	15	5	-
Hai Kang	80	20	-	-
Weng Yuan	80	15	5	-
Jie Yang	75	-	25	-
Dian Bai	70	25	5	-
Chao Yang	65	25	-	10
Ying De	65	25	10	-
Luo Ding	60	-	35	5
Mao Ming	60	30	10	-
Xu Wen	60	30	10	-
Long Men	50	40	10	-
Zeng Cheng	40	45	10	5
Ling Shui	31	-	69	-
Nan Xiong	30	60	-	10
Bao An	25	75	-	-
Yang Chun	20	40	15	25
Cheng Hai	20	45	25	10
Zi Jin	15	70	15	-
Fo Yun	15	50	30	5
Bo Luo	10	60	30	-
Lian xian	5	55	23	17
Average	47	34	15	4

Source: Economic Yearbook of Guangdong Province for 1940 (Guang-dong jing-ji nian-jian bian-suan wei-yuan-hui) Vol. 1(G) pp. 24-27, Quoted in A. Lin, The Kuangtung Peasant Economy, 1875-1937: A Case-study of Rural Dislocation in Modern China, University of London Ph.D. thesis, 1976, pp. 33-4.

Note: Based on a survey by the Dept. of Agriculture of Zhongshan University.

total owned 49.6 per cent of farmland, compared to 28 per cent owned by the 'middle peasants' (21 per cent of farm families) and 22 per cent by the 'poor peasants' (59 per cent of farm families); in addition were the 9 per cent of farm families who worked as agricultural labourers and owned no land at all.⁽⁷⁾ (see Table 5.3).

In the villages of Fan Yu Xian studied by Chen, as in Nanjing village, only a tiny number of families owned really large amounts of land by local standards: in the 10 villages merely 17 families (1.8 per cent of the total of peasant families) owned more than 20 mou of land.

As has been noted earlier, land use was markedly less uneven than land ownership due to the operation of an extensive system of land renting (see also Table 5.4). In Guangdong in the early 1930s only about 33 per cent of peasant families were 'owners' (i.e. owned most or all of their holdings); fully 57 per cent were tenants (i.e. leased all or most of the land they cultivated), while about 10 per cent cultivated no land at all but derived most of their income from farm wage labour.⁽⁸⁾

Despite a greater dispersion of land use than land ownership, the differences in farm size between different strata in Guangdong prior to 1949 still were important.

In Fan Yu xian in 1933 less than 10 per cent of farms were above 20 mou and over two-fifths were between 0.1 and 5.0 mou (see Table 5.4). A survey in 22 xians in the province in the late 1920s showed that, as would be expected, the proportion of farms of certain sizes varied greatly from area to area, but the overall pattern was broadly similar with up to three-quarters or more of the peasants in any given area farming 'small' farms, a quarter or less farming 'medium' to 'large' farms, and a small proportion, usually ten per cent or less farmed farms that were 'very large' by local standards (see Table 5.5).

The complexity of tenancy relations is illustrated by the fact that all peasant strata rented in significant amounts of land. In Fan Yu xian, as much as 17.8 per

cent of 'rich' peasants, and 27.0 per cent of 'middle' peasants owned no land at all.⁽⁹⁾ In the whole of this xian in 1933 about 71 per cent of farmland was rented, with rich peasants leasing in 59 per cent of their land, middle peasants leasing 70 per cent, and poor peasants 83 per cent.⁽¹⁰⁾ However, in terms of the absolute amount of land rented per household, that rented in by the 'rich' peasants of Fan Yu xian (15.1 mou) greatly exceeded that of the middle peasants (8.2 mou) and was more than three times that of the poor peasants (4.7 mou). (see Table 5.6) The reasons for renting clearly were different for each village stratum. For the poor peasant household it was imperative to survival, since in Fan Yu for example they owned only an average of 1.0 mou of farmland per family, but for the rich family owning over 10 mou per family, land renting was a means of increasing the surplus product over and above what was necessary for sheer survival.

This is reflected in the much greater relative importance of commercial farming in the economy of the rich peasant farmers. In Fan Yu xian, Chen's detailed study shows that the amount of land devoted to the production of crops other than the principal grain varied greatly between the peasant classes: the average for rich peasant families was 8.8 mou compared to 3.5 mou for middle peasants and a mere 1.8 mou for poor peasant families (see Table 5.7). The contrast was particularly sharp in the area of land devoted to the cultivation of fruits, which tended to earn high incomes per unit of land. However, with fruits as with many other economic crops extra investment was required compared to rice and a longer period needed before any return on capital was realised.⁽¹¹⁾ Consequently, it was the better-off peasants with larger accumulations of capital who were more able to take advantage of these methods of earning additional income. Moreover, it was the better-off peasants who were able to hire in the extra labour needed to cultivate their larger holdings. The average amounts of labour

Table 5.6 Land renting among different peasant classes in Fan Yu xian in Guangdong province in 1932
(10 representative villages)

Peasant class	Proportion of cultivating families (%)	Proportion of cultivated land (%)	Ar. land cultivated per family (mou)	of which:- (1) land leased (mou)	(2) land owned (mou)	Proportion of leased land (%)	Ar. land cultivated per capita (mou)
Rich	12.7	33.9	25.5	15.1	10.4	28.2	3.95
Middle	23.0	28.2	11.7	8.2	3.5	27.7	2.40
Poor	64.3	37.9	5.7	4.7	1.0	24.1	1.14
Total	100.0	100.0	9.6	6.7	2.9	100.0	1.86

Source: Chen Han-seng, Landlord and Peasant in China, pp. 6-7 and 124-131.

Table 5.7 Distribution of the farmland of different strata between rice and other products in Fan Yu xian, Guangdong province in 1953. (10 representative villages)

Peasant class	No. of families	Cultivated area per family (mou)	of which:-			
			(1) Rice (mou)	(2) Wheat cotton, taro, and peanuts (mou)	(3) Fruits (mou)	(4) Vegetables (mou)
Rich	107	25.5	16.7	2.2	6.3	0.36
Middle	193	11.7	8.3	2.3	0.9	0.20
Poor	540	5.7	3.9	1.3	0.4	0.18
Total	840	9.6	6.5	1.6	1.2	0.21

Source: Chen Har-seng, Landlord and Peasant in China, pp. 126 and 130.

hired by the different strata in Fan Yu xian (10 representative villages) in 1933 were⁽¹²⁾:-

	Poor peasants	Middle peasants	Rich peasants	Total
Units of hired labour per family:-				
(1) day labour	4.4	11.4	98.9	16.1
(2) year labour	0	0	0.7	0.1

What were the levels of income and the standard of living obtainable from this allocation of resources for the different village strata? For the few large landlords by local standards, income levels undoubtedly were much above those of ordinary peasants. For example a family which owned 120 mou in the Pearl River delta and rented it out probably would have obtained in 1937 at least about 1200 and possibly more than 4000 yuan.⁽¹³⁾ Theoretically the whole of the land tax was paid by the land owner, but this would have reduced the landlord's income by one-quarter at the most,⁽¹⁴⁾ which still left the large landlord with an income of roughly 900 to 3000 yuan, depending on the type of land rented out. In per capita terms, even assuming that the large landlord had a relatively large family of say 8 - 10 people, the net income per capita still would have amounted to a minimum of around 100 yuan and perhaps as much as 500 yuan, which was substantially higher than the income of ordinary peasants (see Table 5.8). The large landlords in Nanjing village in the Pearl River delta before the revolution had incomes, according to Yang, which 'vastly exceeded what was needed for an average standard of living'.⁽¹⁵⁾ A family living on the rent from 120 mou had a large two-storey house with spacious halls and foreign-styled tiled floors, a large stone-paved front yard, and a garden, all surrounded by a high brick wall with iron-bar gates.⁽¹⁶⁾ Even a smaller landlord owning say 30 mou of land in the Pearl River delta might enjoy a standard of living significantly

Table 5.8 Net income per capita of different peasant strata in Guangdong villages, 1949 (pre-liberation) (unit: yuan)

Village strata	Huai Ji xian:-		
	Gao Yao xian, Long Zhong xiang. ¹	(i) Shi Long xiang, No.1 APC ²	(ii) Sha Tian xiang, Guang xing APC ²
Poor peasants	47.1	63.7	39.7
Lower-middle peasants	57.1	70.4	53.4
Upper-middle peasants	n.a.	98.4	68.1
Rich peasants } landlords }	121.5	98 168.8	80.1 92.9

Sources: (1) 'A survey of the living standards of the peasants in Long Zhong xiang', XHBYK, 1957, No.10, also in RMRB, 6th, 7th April 1957.

(2) 'The mountain region people's livelihood is good; there is no market for the rumours of the rightist element', NFRB, 14th August 1957.

above the average, particularly if the land was good quality. Such a family might obtain a gross rental income of 800-900 yuan.⁽¹⁷⁾ Even after the payment of taxes, average per capita income could be between 100 and 150 yuan, assuming a rather smaller family size than for the large landlord. In Nanjing village, such a family was found by Yang to be substantially better-dressed and better-fed than the local peasants.⁽¹⁸⁾ The small numbers of detailed studies of income distribution within given villages in Guangdong before land reform reflect a broadly similar picture, though one which obviously varied greatly according to local conditions (see Table 5.8).

The living standards of all working peasants were distinguished fundamentally from those of landlords by the fact that they laboured in the fields. In the unmechanised and highly labour-intensive conditions of Chinese agriculture in which, particularly in South China, the assistance of animal power was relatively limited, such a contrast cannot be too strongly stressed as a component of the real standard of living.

On the basis of the data in Tables 5.6 - 5.7 it is clear that among ordinary working peasants some important differences were likely to exist in income obtained from cultivating the soil. Using very rough assumptions, one arrives at the conclusion that income per household obtained from cultivating the soil in Fan Yu xian came to about 900 yuan for rich peasants, compared to 290 yuan for middle peasants and only 150 yuan for poor peasants. In per capita terms the differentials are slightly reduced due to the larger average size of rich peasant households. (see Table 5.9).

Yang's analysis of relative income levels in Nanjing village suggests that a minority of the population, notably the landlords and rich peasants lived 'quite comfortably' by local standards with a significant surplus over and above the bare minimum necessary for survival. According to Yang 'a considerable section' (the middle

Table 5.9 Estimated income of different peasant strata in Fan Yu xian, Guangdong province, in 1933. Unit: yuan

		Peasant households:-		
		Rich	Middle	Poor
Value of crop output:-				
(1)	fruit land	1010	144	64
(2)	mulberry land	158	145	88
(3)	rice land	418	208	98
Sub-total		1586	497	250
Costs:-				
(1)	labour	127	8	3
(2)	rent:			
	(a) fruit land	247	33	16
	(b) mulberry land	38	35	21
	(c) rice land	98	63	36
(3)	tax	62	35	6
(4)	seeds and fertiliser	105	32	18
Sub-total		677	206	100
Net crop income per household		909	291	150
Net crop income p.c.		140	58	30
Plus sideline income		196	81	42

Sources: Chen Han-Seng, Landlord and Peasant in China, Appendix (for data on cultivated land, distribution of land between uses, household size, land leasing and ownership, and labour costs).

Zhong Gong-fu and Li Ci-min, Pearl River Delta, for data on rents in Pearl River Delta for different kinds of lands from which data on income per mou were derived.

Liang Ren-cai, Huang Mian, and Shen Wei-cheng, Economic Geography of South China (Hua-nan jing-ji di-li), Beijing: Ke-xue chu-ban-she, 1959, translated in JPRS, No. 14, 954, p. 63, from which a rough estimate of the importance of non-crop income was derived.

Notes: (i) Land: to simplify matters it has been assumed that only three crops were grown: a high-income crop (fruit), a medium-income crop (mulberry) and a low-income main crop (rice). The rice and fruit area are given in Chen; the remainder is assumed to be mulberry. This may well give some upward bias to the figures.

: it has been assumed that for each stratum 60 per cent of mulberry and fruit land is leased in.

(ii) Labour: rough calculations of hired labour outlays for each stratum were made from Chen's Appendix (Tables 28 and 30).

Table 5.9 Continued ...

(iii) Value of output: Zhong Gong-fu and Li Ci-min Pearl River Delta, give the rents per mou in 1937 for fruit land as 60-70 yuan per mou, for mulberryland as 20 and for rice land as 10 yuan per mou. It has been assumed that 40 per cent of the gross value of output was taken in rent. It is possible that this figure may be too low for the high-income crops, in which case some upward bias has been given to the gross income of well-off peasants.

(iv) Tax: This has been assumed as 25 per cent of the value of output per mou on rice land, i.e. 6 yuan per mou. It has been assumed that the tax per mou did not vary between peasant strata. In reality it may well have been rather higher for poorer strata, in which case their incomes are given a slight upward bias in the estimates in the table.

(v) Seeds and fertiliser: these have been assumed as 7 per cent of the gross value of output. Costs per mou of higher-income crops may well have been somewhat higher than this in which case a relative upward bias has been given in the estimates in the table to the income of better-off peasants.

(vi) Family size: calculated from Chen's Appendix as: rich peasant households = 6.5 persons, middle and poor peasants = 5 persons.

(vii) Sideline (non-crop) income: in the mid-1950s this came to 29 per cent of the gross value of agricultural production. It has been assumed that it added roughly 40 per cent to the net income of each stratum, so that in absolute terms it amounted (in 1933 in Fan Yu xian) to 56 yuan p.c. for rich peasants, 23 yuan for middle peasants, and 12 yuan for poor peasants.

peasants) 'lived on minimum subsistence with a precarious margin of safety'; for the middle peasant, expenditure for an unusual occasion, such as illness, marriage, or death, or a shift in the family structure away from producers towards consumers, or a natural calamity such as the partial loss of his crops through storms or ill-timed rains, would force him into debt or to seek supplementary income outside his farm. The position of the largest group in the village, the poor peasants, was that they could not make enough from the farm alone, even in normal times, to provide bare subsistence for the family: 'Any crop damage from the weather or any unusual family needs put the poor peasant in an inextricable position. It was easy to see why many poor peasants remained single for life or married very late, why so many of their children died in infancy, and why, when an adult died, the family had difficulty in finding a plot to bury him'.⁽¹⁹⁾

For many peasants activities other than cultivation provided an important supplement to their income: in the 1950s activities other than plant-raising were providing almost thirty per cent of gross agricultural income in Guangdong province.⁽²⁰⁾ Handicraft industry produced about 7 - 8 per cent of gross agricultural income in Guangdong in the 1950s⁽²¹⁾, so that while its role was important it was not the principal source of village income apart from plant-cultivation. In Nanjing, for example, basket-weaving and silk embroidery were the principal such activities.⁽²²⁾ Much the most important supplementary income source in the Guangdong countryside was animal-raising, which produced over 15 per cent of gross agricultural income in the 1950s.⁽²³⁾ In Nanjing village Yang found that almost every family raised two or three to a dozen chicken, principally in order to sell their eggs.⁽²⁴⁾ A few families raised ducks, generally in large flocks of over 100 birds.⁽²⁵⁾ Pig-raising was common; about one-quarter of the families in Nanjing kept them. Fish-farming was an important element in the rural economy, providing around 4 - 5 per cent of gross

agricultural income in the province in the 1950s.⁽²⁶⁾
 Nanjing, for example, had about ten fish ponds.⁽²⁷⁾
 Finally, many hard-pressed peasants earned small sums of money in activities that required no capital. Principal among these was cutting grass on the hillside to sell for fuel. Another such activity was catching grasshoppers to sell in the city for feeding pet birds.⁽²⁸⁾

However, many of these auxiliary activities could not be undertaken by poorer peasants. Silk embroidery, for example, required extreme cleanliness; poor peasant women whose houses were not clean and who had to handle dirt in the field could not engage in it. Duck-raising required a heavy investment in both time and money: someone had to watch the ducks day and night; a bamboo shed had to be built to house the ducks at night; land had to be rented, and ducklings purchased. Raising pigs also frequently was beyond the resources of poor peasants. A cost was involved in the purchase of piglets, and in providing part of their food intake (only part came from scavenging). Moreover, there was the constant risk of epidemics which might wipe out the investment completely. Fish farming also required a relatively large amount of capital: rent for the fish ponds, purchase of fish seedlings, and collecting good grass and cutting it up to feed to the fish. Fish farming, at least in Nanjing village, 'was not an opportunity for the poor'.⁽²⁹⁾

For the poorer stratum of the village, work on their own farm other than crop-cultivation provided some supplement to their income, but clearly of a limited kind compared to that of the better-off village strata. Another source of supplement was working as a day-labourer for other farmers. However, the amount of such work was restricted. Chen's study of Fan Yu xian in the early 1930s showed that even in this relatively highly-commercialised part of Guangdong province there was an average of only 18 days of hired labour on a day labour basis required per farming household.⁽³⁰⁾ Moreover, even assuming that all day-labour hired by middle and rich peasants was provided

by poor peasants, there still was a demand for an ^{annual} average of only 24 days of day-labour per poor peasant household. ⁽³¹⁾

For a large number of poor peasant households the only channel to survival (apart from emigration) was semi-permanent indebtedness. Chen's study of Fan Yu xian in 1933 revealed the following levels of debt among different classes ⁽³²⁾ :-

	Proportion of families in debt (%)	Average indebtedness per family (yuan)
Landlords	5.7	20.0
Rich peasants	48.6	223.4
Middle peasants	52.8	102.6
Poor peasants	58.9	98.8
Agricultural labourers	22.9	19.2
Total	51.4	103.7

Buck's massive study showed that only about one-quarter of farm credit was for 'productive' purposes, ⁽³³⁾ but there is some evidence that it was richer peasants who tended to have greater access to borrowing for these purposes than did poor peasants. ⁽³⁴⁾ A major reason for 'unproductive' borrowing was simply to purchase food to survive between harvests, ⁽³⁵⁾ and it might be guessed that the main part of the credit for poorer peasants was for this purpose. Another reason for 'unproductive' borrowing was to meet large unexpected outlays, such as illness, weddings and funerals. It might be guessed that in poor, middle, and rich peasant credit, such a purpose was equally important. The poorest stratum in the village, the farm labourers, were markedly less in debt than other peasants. Rather than reflecting a superior position this is clearly due to lack of collateral.

2. LAND REFORM

Being a late liberated area, land reform did not begin in Guangdong until well after Northern and Central China. It lasted roughly from November 1951 until April 1953, with the greater part of the activity concentrated in the latter part of the period: approximately 35 per cent of the rural population completed land reform between November 1950 and April 1952, and 65 per cent between May 1952 and April 1953.⁽³⁷⁾

Land reform in Guangdong was carried out under the Agrarian Reform Law of 30th June 1950,⁽³⁸⁾ which stressed the need for a less radical reform than had taken place under wartime conditions in the old liberated areas of North and Northeast China.⁽³⁹⁾ The reform law of 1950 aimed to eliminate the 'feudal' elements in the countryside (i.e. confiscate landlord-owned land and land rented out by rich peasants of a semi-landlord type), while simultaneously preserving the rich peasant economy and ensuring that it was free from infringement during the reform. Within certain limits the existence of the rich peasant economy was said to be advantageous to the attainment of "the basic reason for and the basic aim of agrarian reform" - production increase.⁽⁴⁰⁾ The land reform campaign in Guangdong began with this more moderate approach, but under the impact of the Korean War, a tougher line was adopted:

The essence of the new hard line lay in drawing sharp lines between social classes and dealing severely with rich peasants and landlords, the leaders of the traditional rural order. (41)

The atmosphere in which land reform was eventually carried out in Guangdong was more radical, in the sense of placing greater stress on class conflict, than the Agrarian Reform Law of 1950 would lead one to believe.⁽⁴²⁾

The Guangdong People's Government claimed in April 1953 that during Land Reform 80 per cent of landlord-owned land had been confiscated, 100 per cent of publicly-

owned land, and 15 per cent of rich peasant-owned land, and re-distributed to landless and land-short peasants.⁽⁴³⁾ Approximately 44 per cent of the total arable area of the province was said to have been confiscated,⁽⁴⁴⁾ though the severity of confiscation was regionally uneven: by the end of April 1953, 54 per cent of arable land had been confiscated, in Central Guangdong,⁽⁴⁵⁾ and only 30 per cent in Hainan,⁽⁴⁶⁾ though in the latter case the land reform was still some way from completion. In addition to confiscation of land, it was estimated that more than 70 per cent of landlord houses, 80 per cent of their farm tools, and 90 per cent of their farm animals had been confiscated, as well as a large amount of surplus grain.⁽⁴⁷⁾ It is likely, despite these figures, that the relative importance of the confiscation and re-distribution of agricultural land was greater than for other items. For example, in Central Guangdong, the average amount of different items confiscated per capita for the whole rural population came to 124 jin of grain, 1.2 mou of land, 0.23 farmtools, 0.012 draft animals, and 0.056 rooms (jian) (see Appendix E, Table 1). On the assumption that roughly half the rural population benefited from the redistribution, the amounts received by the beneficiaries of land reform in Central Guangdong would, in per capita terms, have been about double those given above. This would have only amounted to roughly half a year's grain supply, and still insignificant amounts of housing, farm-tools, and draft animals. However, in terms of farmland, the amounts would have been far from insignificant, since in many xians in the Central District there was less than 2 mou of arable land per peasant in the 1950s.

At the conclusion of land reform Guangdong's villages were left with much-reduced inequality in land ownership. A study of 509 peasant households by the Guangdong Statistical Department showed that the average amount of land per household came to 7.4 mou for poor and hired peasants, 9.5 mou for middle peasants, 16.8 mou for rich peasants, and that the landlords possessed the 'average'

amount held by other peasants.⁽⁴⁸⁾ Survey data from Hainan Island revealed that poor and hired peasants comprised 60.6 per cent of the total number of peasant households, but that after land reform they owned 54.2 per cent of farmland, 71.2 per cent of draft animals, and 62.7 per cent of farmland, 71.2 per cent of draft animals, and 62.7 per cent of agricultural implements.⁽⁴⁹⁾ In East Guangdong, a survey of twenty-four households in eight xiangs showed that in 1952 (after land reform) the average arable area per household for poor and hired peasants was 7.5-7.8 mou, for middle peasants was 11.2 mou, and for rich peasants was 10.7 mou.⁽⁵⁰⁾ National survey data from 16,000 peasant households in 25 provinces showed that in 1954 the average amount of arable area per household came to 11.24 mou for poor and hired peasants, 17.72 mou for middle peasants, 31.16 mou for rich peasants, and 12.81 mou for former landlords (see Table 5.16).

The average family size varied considerably between peasant strata. The 1954 national survey showed that the average size of poor and hired peasant households was 4.2 persons, compared to 5.0 for middle peasants, 6.2 for rich peasants, and 4.2 for former landlords, so that the differences in landholdings outlined in the previous paragraph were narrower when analysed in per capita terms. The 1954 national survey showed an average of 2.68 mou per capita for poor and hired peasants, 3.05 mou for former landlords, 3.54 mou for middle peasants, and 5.03 for rich peasants (see Table 5.16). In Guangdong one source indicates that the differentials in per capita terms were even narrower than this. The average amount of land owned per capita after land reform was said to be 1.0 mou for former landlords, 1.3(+) mou for poor and hired peasants, and 1.4(+) mou for middle and rich peasants.⁽⁵¹⁾

Unfortunately, satisfactory data on inequality between different village strata in the ownership of other means of production have not been located. However, it is likely that in Guangdong as over the rest of China, the inequality in ownership of means of production other than land was

TABLE 5.10: Inequality in net income in Guangdong, 1953
 (post-land reform) (Unit: yuan)

Stratum	Huai Ji xian	
	(i) She Long xiang, No. 1 APC	(ii) Sha Tian xiang, Guang Xing APC
Poor peasants	86.1	104
Lower middle peasants	82.2	98.9
Upper middle peasants	n.a.	107.5
Rich peasants	n.a.	99.8
Former landlords	41.2	63.8
		49.5

Sources: Appendix E, Table 8, and Tables 5.14-15

greater than for land itself (see Table 5.17).

While the inequality within the villages in the ownership of farmland had been much reduced by land reform, inequality in this vital area still remained, and in respect to other means of production was probably greater. It is likely that there remained as a result important differences in per capita income between peasant strata. Unfortunately, data from Guangdong is limited in this respect, but the odd village studies that were published confirm that inequalities in per capita net incomes did still exist (see Table 5.10).

3. LAND REFORM TO COLLECTIVISATION

Were conditions within the villages between land reform and collectivisation such as to permit the development of polarisation in the ownership of assets and in income? This question has not yet been approached in serious fashion, and many writers simply have accepted Mao's statement of July 1955 as the final word on the issue:

What exists in the countryside today is capitalist ownership by the rich peasants and a vast sea of ownership by individual peasants. As is clear to everyone, the spontaneous forces of capitalism have been steadily growing in the countryside in recent years, with new rich peasants springing up everywhere and many well-to-do middle peasants striving to become rich peasants. On the other hand, many poor peasants are still living in poverty for shortage of the means of production, with some getting into debt and others selling or renting out their land. If this tendency goes unchecked, it is inevitable that polarisation in the countryside will get worse day by day. (52)

This section argues that Mao's statement was a polemical one suited to the political needs of the period immediately preceding collectivisation, but that it exaggerated the degree of polarisation in the Chinese countryside in the period between land reform and collectivisation.

A. 'New Economic Policy': spring-summer 1953

With the completion of land reform the attention of

the government turned towards agricultural production, but the attempt to get the village economy moving again was impeded by the radicalism of the land reform campaign itself. It could be easily seen in the Guangdong countryside in the spring of 1953 that the peasants' enthusiasm for production still had not risen to the necessary degree and that quite a few obstacles remained for the movement to develop agricultural production.⁽⁵³⁾ One of the major obstacles was the fact that the post-land reform production relationships were not firmly consolidated and the peasants had misgivings about expanding production.⁽⁵⁴⁾ Among the poor and hired peasants the sentiment "everyone eats at the big pot", "the collective store", and "no rich, no poor", was still widespread, according to Zhao Zi-yang.⁽⁵⁵⁾ Zhao said that the middle peasants were afraid that they would be labelled as exploiters, and so did not dare to hire labour and make loans; the fears of the rich peasants had been allayed even less, and they were "fearful and uneasy".⁽⁵⁶⁾

To overcome these problems an extensive propaganda campaign took place in spring and summer 1953 on "the stabilisation of village production relations".⁽⁵⁷⁾ The policies put forward by the Guangdong People's Government to achieve this were the following. At the general level it was advocated that peasants should try to "become rich through industrious work" (qin-dong zhi-fu). More specifically the government firmly guaranteed private ownership rights for each class' land, houses, and other property; people were specifically prohibited from interfering with other people's property. The government permitted the free hiring of labour, with the level of wages to be settled freely by each party, and each level of government as well as the peasants' association were specifically prohibited from interfering. Where land was rented out due to shortage of labour, the government was to guarantee the payment of the rent, which was to be freely agreed to by the parties concerned. The freedom to make loans was guaranteed, with the amount of interest being fixed by the two sides. Moreover, it said that the

repayment of loans should be ensured, and prohibited people being forced to make loans, as well as the failure to acknowledge debts. In respect to the agricultural tax, the government said that after the 'normal' output (on which the levy was based) had been reached, wherever output increased beyond that level due to hard work in cultivation, the extra collection of fertilisers, the tax burden would not be increased to extend to the extra output. (58)

Relatively little was said in the Guangdong press at this time about the need to expand mutual aid and co-operation. (59) The number of peasant households in MATs was still small by comparison with the rest of China: by mid-1953 only 17 per cent had joined, and the number in APCs was negligible (see Tables 5.11-5.12). In China as a whole at this time, nearly 40 per cent of peasant households were in MATs and 0.2 per cent in lower stage APCs (see Appendix E, Table 4). The government pointed out that it was strictly forbidden for the MATs to compel peasants to join them, or for them to invade the peasants' private property rights. (60)

Despite these measures, problems in respect to stabilising the new production relations existed throughout 1953, due partly to fears remaining from land reform and in part to the existence of radical policies in some areas at the village level in spite of the government directives. In June it was admitted that there still existed a "relatively serious and large scale phenomenon" of encroachment on private property rights, in the form of forcing people to give out loans and forcibly organising MATs. (61) A survey in Qu Jiang xian in October found that there still existed "ideological misgivings" about land reform. (62) It found that there was a relatively widespread phenomenon of middle and rich peasants being afraid to expose their wealth and afraid of giving out loans, as well as of individual poor and hired peasants who thought "poverty is glorious", and had the "big eating and big drinking" attitude. (63) The survey also said that there

TABLE 5.// Organisation of mutual aid teams in Guangdong

Year	No. of mut's	No. of households (million)	No. of households as per cent of all peasant households	Permanent MATs		
				(a) No.	(b) No. of households (million)	(c) No. of house- holds as per cent of households in MATs
1950	-	-	-	-	-	-
1951	-	-	-	-	-	-
1952	164,918	0.811	13.29	6,388	0.033	4.09
1953	238,657	1.145	17.30	19,913	0.139	12.15
1954	665,088	3.151	44.07	136,218	0.808	25.63
1955	625,090	3.355	44.31	168,103	1.162	34.65

Source: Shi Jing-tang, Materials, pp.1000-1005.

Note: All figures are for end of June.

TABLE 5.12 Organisation of lower-stage agricultural producer co-operatives in Guangdong

Year/Month	No. of APCs	No. of households (million)	Average no. of households per APC	No. of households in lower-stage APCs as per cent of total peasant households
1950 (1)	-	-	-	-
1951 (1)	-	-	-	-
1952 (Oct.) (2)	62	-	-	-
1953 (1)	-	-	-	-
1954 (Feb.) (3)	190	-	-	-
(Feb.) (4)	202	-	-	-
(June) (1)	1,030	0.026	24.77	0.357
(Year-end) (5)	6,900	-	-	-
(Year-end) (6)	13,672	-	-	-
1955 (Beginning) (7)	13,000	-	-	-
(Middle) (7)	13,000	-	-	-
(June) (1)	15,446	0.504	32.65	6.661
(Oct.) (8)	-	-	-	7
(Nov.) (9)	-	-	-	40.0
1956 (Jan.) (10)	-	-	-	80.7
(March) (11)	-	-	-	48.5
(June) (1)	56,379	3.614	64.1	47.7
(July) (12)	-	-	-	50.0
(Nov.) (13)	-	-	-	6.6

Sources: (1) Shi Jing-tang, Materials, pp.1006-12.

(2) NFRB, 1st Oct. 1952, cited in Vogel, Canton Under Communism, p.143.

(3) Guangdong People's Government Statistical Department, 'Report on the expansion of the Guangdong province economy in 1953', NFRB, 9th Feb. 1954.

(4) NFRB, 19th Dec. 1955, cited in Vogel, Canton Under Communism, p.143.

(5) Gu Da-cun, '... work report'.

(6) 'Report on the development of the national economy and the carrying out of the state plan in Guangdong', NFRB, 5th Oct. 1955.

(7) NFRB, 24th Sep. 1955, cited in Vogel, Canton Under Communism, p.146.

(8) Guangdong CCP Committee and People's Council, 'Directive concerning the development of agricultural production in 1957', NFRB, 15th Jan. 1957.

(9) NFRB, 29th Nov. 1955

(10) NFRB, 11th Feb. 1956

(11) NFRB, 28th Mar. 1956

(12) NFRB, 23rd Jul. 1956

cited in Walker, 'Collectivisation in retrospect ...', p.36

(13) Guangdong CCP, 'Affirm achievements, overcome shortcomings ...'

still were individual examples of encroachment on the property rights of the middle peasants.⁽⁶⁴⁾ A reflection of these phenomena was the fact that Qu Jiang xian survey found that the increases in output per mou of grain in 1952-3 were less than half as great for the rich peasant households as for the poor and hired, and middle peasant households.⁽⁶⁵⁾

As will be made clear in the following section, in the whole period between land reform and collectivisation, it was in the spring and summer of 1953 that conditions in Guangdong were to be most favourable to polarisation developing in the villages. However, it has been seen that even here there were limitations on such a development. Most importantly, the legacy of the recently-completed land reform made better-off peasants fearful of making loans, hiring labour, and renting land. Freedom of marketing existed up to a point, but the state levied a heavy and progressive agricultural tax from the earliest post-Liberation days (see the following section). The policies of the state to stabilise production relations were not pursued with equal vigour by local cadres, and were apparently ignored in at least some areas. In the villages there had been a shift in political power away from the old ruling groups and into the hands of the CCP, the peasants' associations, and the new mass organisations (see the following section). In addition, despite the relatively slow growth of MATs in Guangdong, the fact that over one million peasant households were in them by mid-1953 may have caused many peasants to be concerned that the creation of agricultural collectives was not a long way off.

In other provinces, especially those of the old liberated areas of North and Northeast China this 'New Economic Policy' phase after land reform lasted much longer, because of the earlier date of the completion of land reform there, which gave more time for production relations to be stabilised and for polarisation to develop to a greater extent than in South China. However, the campaign on the 'general line for the transitional period' that began

in the autumn of 1953 signalled the end of the 'New Economic Policy' across the whole of China.

B. Extension of the socialist position in the countryside:
autumn 1953 - summer 1955

The extension of the socialist position in the countryside after mid-1953 was not a steady one, but was characterized by periods of retreat and consolidation, as well as of advance. Moreover, the rapid move towards collective ownership and income distribution after mid-1955 involved a disruption to the rural mode of production the scale of which dwarfed anything attempted since land reform. However, it is equally true that the degree of freedom permitted the development of polarisation in the countryside in the two years after the summer of 1953 was generally speaking much less than during the spring and summer of that year. This section will examine firstly the structural influences that affected differentiation, and secondly analyse the data available on intra-village inequality in this period.

(a) Mutual aid and co-operation

The halt to the policy of stabilising agricultural production relations, and stressing instead their transformation in a socialist direction, was clearly signalled in the pages of the NFRB in the autumn of 1953, in the form of propaganda concerning the 'general line on the transition to socialism'.⁽⁶⁶⁾ At the core of the 'general line' was the objective of simultaneously carrying forward the socialist transformation of agriculture, handicraft industry and capitalist industry and commerce. There were various arguments put forward to justify the speeding up of the move towards collective agriculture. In the first place, it was suggested that collective agriculture would come into the orbit of state planning, and only then would it be able to develop its "complementary" role with industry, in particular "enabling the state to obtain more commodity grain and industrial raw materials".⁽⁶⁷⁾

A second argument, and one that was much more strongly

stressed was the positive need for collective agriculture, whether in the advanced form of APCs or the more basic form of MATs in order to increase agricultural production. Collective agriculture was viewed as a way out of the problem of the inadequacy of agricultural means of production through pooling resources and thereby obtaining a greater intensity in their use. The shortage of means of production was illustrated by a survey of 14 xiangs in six xians in 1953, which revealed that 45.45 per cent of peasant households had less than five mou of land to farm, 55.52 per cent of the poor and middle peasants were lacking in draft animals, and about one half were deficient in farm tools.⁽⁶⁹⁾ Moreover, it was argued that the promotion of mutual aid did have some basis in traditional agricultural practices in Guangdong. In relatively advanced xians such as Qu Jiang, Jie Yang, Long Quan, and Bao An about 80 per cent of peasant households had been involved in mutual aid arrangements before Liberation.⁽⁶⁹⁾ It was argued that the production conditions in South China were particularly suited to collective agriculture, due to the fact that "the agricultural production season is long, the 'gaps' are short, the periods of intense work are very great, and economic crop and sideline production are especially developed, which requires even more and even better organisation of labour".⁽⁷⁰⁾

A third argument was that made in respect to polarisation within the villages. The choice was said to be a simple one. It was argued that because of the unstable character of the small peasant economy, there existed an inevitable tendency towards either the capitalist path of a minority of the peasantry becoming rich through exploitation and the majority being exploited and becoming poor, or towards the socialist path of carrying out large scale cooperative management with the whole peasantry becoming well-off together.⁽⁷¹⁾ It was, moreover, argued that even in Guangdong, which had not long completed land reform, polarisation of the villages into rich and poor had already begun to make its appearance.⁽⁷²⁾ It was said

that in Central Guangdong usurious activities were already widespread, and not a few peasants simultaneously carried on commercial speculation; petty trade was also said to be greatly developing.⁽⁷³⁾ Under such conditions, to continue with the slogan 'develop wealth so as to become well off' (fa-cai zhi-fu) was argued to be "casting the lot for the capitalist position".⁽⁷⁴⁾ However, the arguments about polarisation were concerned more with what might happen if the villages were allowed to go their own way rather than with developments that had already occurred. There was in fact little evidence in the Guangdong press that polarisation was rapidly developing at the time. The same editorial in the NFRB that warned about the developing capitalist tendencies in Guangdong countryside argued that in South China polarisation was still not severe.⁽⁷⁵⁾ It argued that precisely because of the as yet relatively limited class polarisation and the still strong enthusiasm for socialism of large number of village cadres, it was easier to attain a smooth transition to collective agriculture then, rather than wait until class polarisation had become severe and a section of the cadres had become "infected with the sickness of capitalist exploitation".⁽⁷⁶⁾

Some cadres argued that due to the lateness of liberation and land reform, Guangdong should be considered a special case, and that collective organisation should therefore proceed at a slower pace than over the rest of China. The answer from the leadership was unambiguous:

This viewpoint is mistaken ... The South China region is not special or exceptional. Chairman Mao has pointed out for us that getting the broad mass of the peasants organised to overthrow the landlord class is called 'getting organised number one'; getting the broad mass of the peasants organised to take the path of mutual aid and co-operation is called 'getting organised number two'. In between there is no interval or interruption, there is no spontaneous stage of letting things go their own way, the inevitable tendency of which is development towards capitalism. ⁽⁷⁷⁾

The tendency among village cadres in Guangdong to not pursue strongly the work of organising collective

agricultural forms was firmly put aside from late 1953 into the spring of 1954. All the village cadres were told to clearly understand that from then on the central task in the leadership of agricultural production was the leadership of the mutual aid and co-operation movement. (78) The pace of advance in collective organisation in the winter was rapid. In mid-1953 only 17.3 per cent of peasant households in Guangdong were in MATs; by mid-1954, 44.1 per cent had joined MATs (see Table 5.11). As early as March 1954, more than 40 per cent of peasant households were in MATs in North Guangdong, 40 per cent also had joined in East Guangdong, and over 24 per cent in Central Guangdong. (79) The pace of advance in Guangdong was more rapid than in the rest of China: in the former case the proportion of peasant households in MATs rose by 27 per cent in 1953-54, and in the latter, by 19 per cent, so that by mid-1954 Guangdong, with 44.1 per cent in MATs was not far behind the national total of 58.4 per cent (see Table 5.11 and Appendix E Table 2). The expansion of lower stage APCs was not so striking. The total number in Guangdong increased from around 200 in February 1954 to just over 1000 in June 1954, but they still contained only 0.4 per cent of peasant households compared to 1.9 per cent over the whole of China (see Table 5.12 and Appendix E, Table 2). The rapid growth of collective farms was called to a halt in mid-1954, when the emphasis shifted from expansion to consolidation of already established MATs and APCs and sorting out the many difficulties they faced. (80)

In the autumn and early winter of 1954-55 the advance recommenced: the main emphasis shifted to the expansion of lower stage APCs, the total number expanding to around 13,000 or more by late 1954/early 1955 (see Table 5.12) The advance was halted then, and

a mood of concern, hesitation and caution pervaded the party's approach to the Kwangtung (Guangdong) countryside in the spring of 1955, which coincided with a directive of 9th Mar. 1955 from the state council to halt further co-op building. (81)

This was to be the lull before the storm of the 'high tide' of co-operativisation of 1955-56. By the eve of the 'high tide' Guangdong had moved a lot closer to the rest of China in the level of advance in collective agriculture, in respect to APCs as well as MATs. By mid-1955 Guangdong had 6.7 per cent of peasant households in lower stage APCs compared to 14.2 per cent for the whole of China - still a long way behind but much closer than in mid-1954 (see Table 5.12 and Appendix E, Table 2). The 13,000 APCs that Guangdong had established by early 1955 were distributed around 8,000 xiangs, so that 72 per cent of the xiangs in the province had at least one APC.⁽⁸²⁾

The mere fact of such a great extension of collective agriculture might be expected to have had an impact on differentiation within the villages. It would have affected the availability of land for rent and labour to hire, as well as the incentive for better off and perhaps even not-so-well-off peasants to work hard and increase production, since the movement demonstrated clearly the government's seriousness about transforming private into fully collective agriculture. Of particular importance in this respect was the manner in which the expansion took place.

There seems little doubt that in the setting up and running of MATs and APCs in Guangdong between late 1953 and mid-1955 there were serious problems concerning class relations centring around the 'mutual benefit' question. In MATs the main question of this kind concerned the rate of exchange between labour and other means of production, especially animal power. In the lower stage APCs an important area of class conflict concerned the valuation given to means of production brought into the co-operative, especially land, which in part determined the share each APC member obtained from the distribution of collective income. Also of great importance was the decision concerning the proportion of collective income that was to be allocated according to labour and according to land shares.

There are many indications in the Guangdong press that there was a widespread tendency towards 'left

adventurism' in the setting up and running of MATs and APCs between late 1953 and early 1955. In the summer of 1954 it was admitted that when the APCs were set up, "quite a number, even the majority of APCs, in the work of assessing the co-op members' land shares, all manifested the phenomenon of different degrees of downward bias".⁽⁸³⁾ It was also acknowledged that in some APCs even though the output of land was fairly assessed, in deciding the proportion going to labour power and to land dividends, the proportion going to land had been too low.⁽⁸⁴⁾ These two phenomena were said to lead to a similar result:

(They) cause some APC members who have relatively large amount of land and a relatively small amount of labour, despite an increase in APC output, still to be unable to raise their income in relation to the previous year, or even to experience a decline; or even if their income increases somewhat, in relation to other APC members with relatively little land and a relatively large amount of labour, to increase too little.⁽⁸⁵⁾

In the MATs similar problems existed in respect to labour exchange and labour calculation. In March 1954 the problem was said to be clearly apparent, and the MATs needed to "urgently resolve this question".⁽⁸⁶⁾ If the different areas did not speedily lead the masses to resolve such problems in the MATs and APCs, said Zhao Zi-yang, then the danger existed of the "noisy" break-up of collective production organisation.⁽⁸⁷⁾

Gu Da-cun in his work report to the Guangdong People's Council in February 1955 acknowledged the strength of 'left' deviations in the formation and running of APCs.⁽⁸⁸⁾ He said that in some areas in the process of developing co-operatives the slogan 'eliminate the individual peasant farmer' had been adopted; the principal means of 'uniting with the middle peasants' had been the struggle against the rich peasants' destructive activities, while unsuitably forcing down the compensation for the middle peasants' land, draft animals, and agricultural implements, and in the 'three estimates' (san-ping) not developing democracy, not completely allowing the middle peasants to voice their opinions.⁽⁸⁹⁾ Gu warned that to mobilise often a struggle

against the rich peasants and whip up an anti-rich peasant movement not only was unstrategic in respect to the rich peasants, but would also cause the middle peasants to become tense and so affect unity with the middle peasants. (90)

In any Chinese province, it is difficult to make generalisations due to the size of the area involved and the diversity of conditions contained therein. However, the predominant 'deviation' in the movement to organise MATs and APCs does seem to have been of a 'leftist' kind, with the interests of poorer peasants dominating over those of better off peasants. The effect of this on the production enthusiasm of the better off peasants would have tended to be of a negative kind, which would in turn have tended to limit the emergence of intra-village polarisation. Insofar as the economy of better off peasants did expand, the influences outlined in this section may well have tended to direct that expansion into less visible more liquid forms of asset accumulation, rather than agricultural production proper.

(b) Marketing

If differentiation within the villages of Guangdong was to have sharpened after land reform, the conditions of marketing would have been a central channel in permitting this. Without any restrictions, the better off peasants might have been able to take advantage of the market to accumulate greater surpluses, purchase greater amounts of capital goods, and pull away economically from other peasant strata. The structural influences outlined in this section have already been discussed in this essay, and the objective here is simply to summarise the major effects they had on intra-village differentiation.

(i) Agricultural taxation

The state agricultural tax regulations operating in Guangdong after land reform contained some provisions helpful to the development of differentiation and some unhelpful

to it. On the helpful side, encouragement was given to the 'improving' farmers in that the agricultural tax was estimated on the 'normal' yield of the agricultural land, and where output increased beyond the normal level through hard work at cultivation and collection of fertiliser, the tax was not raised.⁽⁹¹⁾ Furthermore, the regulations were especially favourable to those growing economic crops, since economic crop land had its tax levy assessed as if the land had been growing grain.⁽⁹²⁾ It is probable that relatively greater amounts of the higher value economic crops would have been grown by better-off peasants, since they would have had more surplus resources than other peasants after attaining self-sufficiency in grain to devote to economic crop production.

However, the essential principle of the tax was strongly progressive. It was levied with the farm household as the unit and was based on per capita output in terms of the 'principal' grain (zhu-liang), using the normal grain output obtained (or obtainable in the case of economic crop land) by the household from its farmland.⁽⁹³⁾ There was no tax payable at less than 150 jin per capita. Tax commenced at the rate of six per cent between 151 and 200 jin per capita and steadily increased through to 25 per cent at amounts above 1450 jin (see Appendix E, Table 3). The progressive character of the tax was exaggerated by the fact that it used the "complete amount progressive method", which meant that peasants in a particular tax bracket had the whole of their income taxed at the corresponding level.⁽⁹⁴⁾ Moreover, in addition to the state-levied agricultural tax, there were various additional local taxes, such as a levy to support the local school or to help pay for the local police force.⁽⁹⁵⁾ If these also were levied on a progressive basis, they would have added to the overall progressive character of the tax system.

(ii) Compulsory purchase quotas

Attention in this section is focused on grain, which formed the basis not only of human consumption but also

of much livestock feed. Up until November 1953 there was a free market in grain in Guangdong, but from then on the state monopolised the bulk of grain sales from the rural sector (see Chapter 2). Total grain marketings (tax plus sales) rose sharply in Guangdong in 1954 as a result - an increase of 55 per cent in only one year.⁽⁹⁶⁾ After an increase of only 17.4 per cent in grain sales in the free market in 1952-53, sales were pushed up dramatically by 38.2 per cent in 1953-54 under the impact of the introduction of compulsory purchase quotas.⁽⁹⁷⁾ No secret was made of the fact that grain purchases in 1954 had been too severe in Guangdong,⁽⁹⁸⁾ or indeed over most of China,⁽⁹⁹⁾ with the result that the peasants' personal grain ration and animal fodder often had been compulsorily taken from them. Compulsory grain purchases in Guangdong in 1954 seem to have been fixed according to the rate of the grain tax.⁽¹⁰⁰⁾ An extensive programme to investigate the area of arable land and level of output (cha-tian ding-liang) began in Guangdong in 1952, to be used as the basis for assessing household contributions to the agricultural tax and later for compulsory grain purchase.⁽¹⁰¹⁾

In view of the analysis in this and the preceding section, it seems likely that the level of grain per capita taken from better-off peasants in the form of agricultural tax and compulsory sales was greater than for poorer peasants. Data for the whole of China in 1954 revealed that the proportion of grain output 'marketed' (tax plus sales) was 22.1 per cent for poor and hired peasant households, 25.2 per cent for middle peasant households, 30.0 per cent for households in APCs, and 43.1 per cent for rich peasant households.⁽¹⁰²⁾ In 1955 the pressure for compulsory sales eased substantially, with a decline of 28.7 per cent.⁽¹⁰³⁾ However, the 'squeeze' of 1953-54 had been of great severity and, as was seen earlier in this essay (see Chapter 2), did have an adverse effect in many areas of Guangdong on the expansion of animal and economic crop production, due directly to fodder shortages, and indirectly to the compression of economic crop land relative to grain land in order to satisfy the state's

demands for grain. In other areas it is probable that for the same reasons the expansion of animal products and economic crops occurred at a slower rate than it would have under free market conditions. It seems probable that in relative terms the economy of the better-off peasant households would have been affected more by these developments than poorer peasant households, since in the better-off households the role of non-grain production was probably greater, and certainly the potential for expansion of non-grain output would have been greater. The net effect of these measures may have been to cut back the level of non-grain agricultural production of better-off peasants, and it seems highly probable that they would have at least restricted the rate at which such production advanced for better-off peasants. Accordingly, the aggregate tendencies discussed in Chapter 2 may well have varied in their degree of importance for different peasant strata within the villages; and the net result of this would tend to have been to limit the development of differentiation in the villages' agricultural economy, and perhaps even to tend to reduce differentials.

(iii) Relative income from different kinds of agricultural production

As was pointed out in Chapter 4, the purchase price, the net income per labour day and per unit of arable land varied greatly between different forms of agricultural production in this period, with grain in general less lucrative than other agricultural activities. It is likely, for the reasons outlined above, that the better-off peasants as before 1949, would have been in a superior position to take advantage of the extra income opportunities offered by the production of non-grain output, and most data does indicate that there was stratified inequality in the distribution of fish ponds, fruit trees, pigs, poultry, and draft animals, despite the reductions in inequality brought about by land reform. It seems reasonable also to assume that there was a similar stratified inequality in the production of economic crops. However,

the ability of better-off peasants to expand non-grain output as much as they would have done under a free market, and indeed their desire to do so, was constrained by the various factors outlined so far and by those discussed in the following section.

(c) Land rent, loans, hiring labour

While formal restrictions were placed on peasant marketings, such restrictions were not placed during this period on the other three of the 'four freedoms' that had been so stressed in Guangdong in 1953. Unfortunately, only a small amount of data has been located on the extent of these practices in the province in the pre-collectivisation period. This in itself would seem to indicate that they were relatively limited.

It was reported in 1953 that in Central-South China ten per cent of peasant households were giving out loans.⁽¹⁰⁴⁾ About one-third of poor peasants in ten xiangs in Hunan, Hubei and Jiangxi provinces were said to have contracted loans, and about one-half of poor peasant households in Guangdong.⁽¹⁰⁵⁾ However, it should be remembered that 1953 was the year when conditions were most favourable for the development of such activities, and that after land reform it was the middle peasants, not the poor peasants who constituted the majority of the village population.

The national survey of over 16,000 peasant households in 1954 revealed the following facts in relation to land renting. Land rented out as a proportion of land owned came to 2.1 per cent for middle peasant households, 2.6 per cent for poor and hired peasant households, 4.5 per cent for former landlord households, and 6.5 per cent for rich peasant households. Land rented in as a proportion of land owned came to 5.9 per cent for former landlord households, 5.0 per cent for poor and hired peasant households, 4.6 per cent for middle peasant households, and 1.8 per cent for rich peasant households. Land used as a proportion of land owned came to 95.4 per cent for

for rich peasant households, 101.5 per cent for former landlord households and 102.6 per cent for poor and hired, and middle peasant households.⁽¹⁰⁶⁾ Land rented out as a proportion of total arable land probably came to well under five per cent, compared to a likely figure of over 40 per cent in the 1930s.⁽¹⁰⁷⁾ It is interesting to note that the rich peasant stratum was more interested in renting land out than in renting it in, which indicates their relative lack of interest in expanding agricultural production.

Data from the same survey seems to show a greater resurgence of hiring of labour than of land renting. A total of 59.7 per cent of households hired in labour of some kind. The proportion of households hiring in labour varied from 48.7 per cent for poor and hired peasants to 77.3 per cent for rich peasants. The average number of labour days hired in per household came to 7.0 for poor and hired peasants, 11.8 for former landlords, 17.2 for middle peasants, and 78.6 for rich peasants. However, 40.9 per cent of rich peasant households also hired labour out, and 58 per cent of the labour that they hired in was of the seasonal, short-term variety. On average rich peasant households hired in only 33 long-term labour days per household, or less than one full-time labourer for every six or more rich peasant households.⁽¹⁰⁸⁾ About 80 per cent of all labour days worked by hired labour were of the short-term variety, so that the hiring of labour was overwhelmingly of the seasonal kind. While hiring of labour was stratified by peasant stratum, the proportion of such labour which both reflected and contributed to polarisation probably came to a minor part of the total.⁽¹⁰⁹⁾

(d) Village politics

During land reform the economic basis of the power of the old ruling group, the landlords, was destroyed, while that of the better-off labouring peasants was eroded, though by no means destroyed. It is argued in this section that the increasing penetration by the government into

village politics hindered the capacity of better-off peasants to assume the role of post-land reform village leaders. This in turn almost certainly affected the desire of better-off peasants to expand economically, since it added to their fears about the possible abolition of a private ownership-based village economy, and reduced their ability to manipulate village political power to their economic advantage.

At the centre of the extension of control by the new government was the expansion of the CCP. Total party membership in Guangdong rose from 40,000 in 1949 to 240,000 in June 1955, and reached 500,000 by the end of 1957.⁽¹¹⁰⁾ Most of the rapid increase in party membership from late 1954 to mid-1956 took place in the countryside.⁽¹¹¹⁾ The number of rural party members stood at 83,000 in July 1955, and 100,000 in October of the same year.⁽¹¹²⁾ By February 1955 it was estimated that 63 per cent of the 12,000⁽¹¹³⁾ xiangs (administrative villages) in the province had set up party branches;⁽¹¹⁴⁾ by autumn 1955 the proportion had increased to 73 per cent,⁽¹¹⁵⁾ The average size of a xiang was about 2,700 people in 1957.⁽¹¹⁶⁾

A most important ancillary to the CCP was the Communist Youth League, which had a substantially larger membership than the party itself - 304,000 at the end of 1953, and 485,000 by May 1955.⁽¹¹⁷⁾ Already by 1953 there were nearly 9,000 village branches,⁽¹¹⁸⁾ and by the beginning of 1955 ninety per cent of xiangs had Youth League branches.⁽¹¹⁹⁾ According to information on eight xians in 1953 over ninety per cent of Youth League members were poor and hired peasants, and less than ten per cent middle peasants and other working people.⁽¹²⁰⁾ If the proportion of rural members was similar in the Youth League to that of the CCP, then in mid-1955 the total of CCP plus Youth League members would have averaged well over 20 per xiang in Guangdong.

A further branch of government in the villages was the People's Militia (min-bing). No exact information has been located on its size in Guangdong, but it was reported

in April 1953 that 50,000-odd "unclean elements" had been "washed clean", so the total number of members must have greatly exceeded this figure.⁽¹²¹⁾ In Zhong Shan xian in 1952 there were 14,700 people in the militia,⁽¹²²⁾ amounting to about two per cent of the total population.⁽¹²³⁾ The People's Militia was said to be "a powerful tool for the people's democratic government in the villages".⁽¹²⁴⁾

In addition to these formal organisations the mass movements of the 1950s saw the emergence of important groups of village activists such as the 'core cadres' (gu-gan) and 'enthusiastic elements' (ji-ji fen-zi). For example, in West Guangdong the land reform movement produced 77,637 'core cadres' in 1,976 xiangs, or an average of 39 per xiang, and 142,677 'enthusiastic elements' in 1,921 xiangs, or an average of 116 per xiang.⁽¹²⁵⁾ In North Guangdong in 1953 there were 54,626 'enthusiastic elements' in 363 xiangs, or about 150 per xiang.⁽¹²⁶⁾ The 'enthusiastic elements' were "the backbone of all kinds of work in the villages".⁽¹²⁴⁾ In most xiangs, then, there was a group of non-party activists several times as great as the numbers of those in the party and in the Youth League combined. It is these formal and informal groups that were the spearhead of the successive campaigns organised between land reform and collectivisation.

The new organ of village government was the peasants' association, which generally took the xiang as its basic organisational unit.⁽¹²⁸⁾ The peasants' association carried out the tasks of village administration, such as maintaining dykes, the repair of roads, settlement of inter-family disputes, general overseeing of social and political order in the villages, and financing the village school,⁽¹²⁹⁾ as well as carrying out the re-organisation of the village political economy.⁽¹³⁰⁾ About 35 per cent of the village population were members of the associations in 1953.⁽¹³¹⁾ Theoretically, once agrarian reform had been completed rich peasants could apply to become members, but in practice the peasants' associations in Guangdong may well have tended to exclude both ex-landlords and rich peasants.⁽¹³²⁾

In the village of Nanching (Nanjing) on the edge of the Pearl River Delta, the new village leadership "presented a difference from the pre-communist picture in the sense that the new men were elevated from the middle and poor peasants and landlords, especially the latter. To this extent, the class basis of the local power structure had definitely shifted". (133)

(e) Data

The number of village studies published in the Guangdong press between land reform and collectivisation was minimal.

Various broad estimates were published of the proportion of peasants in different strata at various points of time. A survey by the Guangdong Statistical Department unsurprisingly found that in a survey of 509 peasant households, the proportion in the poor and hired category had declined from 65.7 per cent pre-Liberation to 39.2 per cent in 1954 (see Appendix E, Table 4). The proportion of village households in the rich and landlord category declined from 6.4 per cent pre-Liberation to only 1.6 per cent in 1954 (see Appendix E, Table 4). A detailed survey in Gao Yao xian, Long Zhong xiang, showed the changed in stratification between the end of land reform and just prior to collectivisation (see Appendix E, Table 5). It showed a marked expansion in the proportion of peasant households in the middle peasant category, from 24 per cent in 1953 to 49.7 per cent in 1955.

The handful of village studies in Guangdong, while casting little light on the changes in stratification between land reform and collectivisation, show that inequality clearly did exist in the villages prior to the 'high tide' of 1955-56 (see Tables 5.13-15). In Gao Yao xian, Long Zhong xiang, for example, a twelve household study in 1955 showed that the average net per capita income in three upper middle peasant households came to 103.8 yuan, in seven lower middle peasant households came to 62.2 yuan, and in two "distressed" peasant households

Table 5.13 Inequality in Long Zhong xiang, Gao Yao xian, Guangdong, before collectivisation, 1955

Peasant stratum (by living standard)	Households:		Average net income per capita: ^a	
	(i) No.	(ii) per cent	(i) yuan	(ii) No. of households
Upper middle peasant	34	5.5	103.8	3
Lower middle peasant	296	48.3	62.2	7
Distressed peasant	283	46.2	33.2	2
Aggregate	613	100.0	67.7	12

Source: 'A survey of the living standards of the peasants in Long Zhong xiang.'

Note: (a) From a detailed twelve-household survey.

TABLE 5.14 Inequality in (net) income^(a) and value of consumption
in No.1 APC, Shi Long xiang,^(b) Huai Ji xian, Guangdong.
(Unit: yuan per capita)

Peasant stratum	Pre-Liberation 1949		Pre-collect- ivisation, 1953		Post-collect- ivisation, 1956	
	Income	Con- sumption	Income	Con- sumption	Income	Con- sumption
Poor peasant	63.7	58.5	104	-	133.5	98.6
Lower middle peasant	70.4	64.9	98.9	-	102.2	78.7
Upper middle peasant	98.4	91.2	107.5	-	104.6	74.9
Rich peasant	98	84.4	99.8	-	83.9	70.2
Landlord	168.8	142	63.8	-	85	81.8

Source: 'The mountain region people's livelihood is good; there is no market for the rumours of the rightist element', NFRB, 14th Aug. 1957.

Notes: (a) Total (net) income, including income from agriculture animal husbandry, forestry, and sideline production.

(b) A mountainous region village which has forestry as its main occupation.

TABLE 5.15 Inequality in (net) income^(a) in Guang Ning APC,
Sha Tian xiang,^(b) Huai Ji xian (Unit: yuan per capita)

Peasant stratum	1949	1953	1956
Poor peasant	39.7	58.3	58.8
Lower middle peasant	53.4	68.8	54.2
Upper middle peasant	68.1	69.6	63.3
Rich peasant	80.1	70.9	55
Landlord	92.9	49.5	51

Source: 'The mountain region ...'

Notes: (a) Total (net) income, including agriculture, animal husbandry, forestry, and sideline production.

(b) A plain area.

came to 33.2 yuan (see Table 5.13). However, in the studies in Huai Ji xian (Tables 5.14-15) the range of income inequality was not nearly so great as in this survey. With available information it is extremely difficult to generalise about the dimensions of inequality within Guangdong prior to collectivisation. Fortunately, a detailed national survey of differentiation within the villages was carried out in respect to the situation in 1954 and at the end of land reform, and was released in 1957.⁽¹³⁴⁾ It covered over 16,000 peasant households in 25 provinces, but the data was only released in an aggregate form without a province-by-province analysis. It must be assumed that behind the short summary article that appeared in 1957 lies a mass of unpublished data.

What did this survey reveal about the nature of differentiation in that period? Its major conclusion was the following:

It can be seen from this survey that from after land reform (tu-gai hou) to the end of 1954, approximately half of the poor and hired peasants rose to become middle peasants, approximately half of the rich peasants descended to become middle peasants, and the middle peasants already (by 1954) composed over sixty per cent of the village population, becoming the most important part of the village structure: this proves that our party's policy of helping the poor and hired peasants and restricting (xian-zhi) the expansion of the rich peasants obtained a great victory. (135)

Out of 14,334 peasant households in 21 provinces in 1954,⁽¹³⁶⁾ it was found that relative to the end of land reform, the number of poor and hired peasants had fallen to 50.7 per cent of their level then, that the number of middle peasant households had risen to 173.7 per cent of their earlier level, the number of rich peasants had fallen to 59.3 per cent of their earlier level, and that of former landlords to 96.8 per cent (see Appendix E, Table 7). By the end of 1954 co-op members came to 4.2 per cent of peasant households, poor and hired peasants to 2.2 per cent and former landlords to 2.5 per cent (see Appendix B, Table 7).

Of particular use in studies of stratification are those which follow the fortunes of the same cohort through time. Fortunately, this was done in the 1954 national survey. Of the original batch of poor and hired peasants at the end of land reform, 48.7 per cent had risen to become middle peasants by the end of 1954, 47.0 per cent had remained poor and hired peasants, and only 0.2 per cent had risen to become rich peasants. Mobility out of the middle peasant category was limited: 89.7 per cent of those who had been middle peasant households at the end of land reform were in the same category at the end of 1954; 4.0 per cent had fallen to the poor and hired peasant level, and 1.3 per cent had risen to become rich peasants. Such limited mobility is hardly consistent with a 'polarisation' thesis. Equally, interesting from this point of view is the fact that almost half of the original post-land reform rich peasants had in the space of only a few years descended to the middle peasant level (see Appendix E, Table 7 for all the above data). Further support for this perspective is provided by data on the rate of expansion of means of production for households in the different strata. The average amount of arable land owned per household of those who had been poor and hired peasants at the end of land reform had increased by 10.3 per cent by the end of 1954, compared to 2-3 per cent for those who had been middle and rich peasants (see Appendix E, Table 8) ⁽¹³⁷⁾

The average poor and hired peasant household's ownership of draft animals, ploughs, and water wheels also increased at a more rapid rate than was the case for those who had been middle and rich peasants at the completion of land reform (see Appendix E, Table 8) ⁽¹³⁸⁾ Only in rubber-tired carts did the original rich peasants increase their holdings faster than the original poor and hired peasants; while the rich peasants increased their ownership of this asset by an average of almost ten times, the poor and hired peasants increased their's by an average of only 140 per cent (see Appendix E, Table 8), which indicates the relatively greater attention paid by the better-off

village stratum to expanding through commercial channels rather than through agriculture proper, since ownership of rubber-tired carts can probably be taken as a proxy variable for the degree of involvement in petty trading.

While the 1954 survey provides confirmation of the notion that the degree of development of the rich peasant economy was constrained in the period between land reform and collectivisation, it also shows that on the eve of collectivisation important differentials still existed in the ownership of the means of production, in household size, and in income, between different peasant strata. An appreciation of this fact is essential to an understanding of the dynamic of the functioning of the APCs in 1955-57.

The poor and hired peasant stratum of late 1954 had an average family size of only 4.2 people compared to 5.0 and 6.2 for the middle and rich peasants respectively (see Table 5.16). Despite the smaller average household size, the ratio of workers to dependents was worse in the poor peasant stratum than in the middle and rich peasant strata. The differences in average ownership of arable land per household were quite large: the average middle peasant household in 1954 owned 58 per cent more, and the average rich peasant household 177 per cent more, than the average poor peasant household (see Table 5.16). However, in per capita terms the differences were somewhat reduced, the middle peasants with 32 per cent more than the poor peasants and rich peasants with 88 per cent more (see Table 5.16). Differences in ownership of other means of production were greater than for land. Middle peasants in per capita terms owned over one and a half times as many draft animals and ploughs, and about three times as many water wheels as the poor peasants, while the rich peasants (per capita) owned two and a half times as many draft animals, about two and a half times as many ploughs, and about six times as many water wheels as the poor peasants (see Table 5.17).

As would be expected, given the differentials in

TABLE 5.16 Inequality in worker-dependent ratios and land ownership among different strata, All-China, 1954

Peasant stratum	Average number per household		Worker- dependent ratio	Average amount of arable land	
	(i)	(ii)		(i) per	(ii) per
	people	workers		household (mou)	capita (mou)
Co-op members	5.1	2.6	1:1.96	16.17	3.17
Poor and hired peasants	4.2	2.0	1:2.10	11.24	2.68
Middle peasants	5.0	2.5	1:2.00	17.72	3.54
Rich peasants	6.2	3.0	1:2.07	31.16	5.03
Former landlords	4.2	2.2	1:1.91	12.81	3.05
Total	4.8	2.4	n.a.	15.80	3.29

Source: 'Concise and important materials ...'

Notes: From a survey of over 16,000 peasant households in 25 provinces.

TABLE 5.17 Inequality in holdings per household and per capita of draft animals and agricultural implements, All-China, 1954 (a)

Peasant stratum	Draft animals		Ploughs		Water wheels	
	per	per	per	per	per	per
	house- hold	(b) capita	house- hold	(b) capita	house- hold	(b) capita
Poor and hired peasants	0.51	0.12	0.36	0.09	0.06	0.01
Middle peasants	1.10	0.22	0.74	0.15	0.13	0.03
Rich peasants	1.84	0.30	1.22	0.20	0.35	0.06

Source: 'Concise and important materials ...'

Notes: (a) From a survey of over 16,000 peasant households in 25 provinces.

(b) Derived.

ownership of the means of production, there were still marked differentials in the income of the peasant strata at the end of 1954: gross (zong) income per household for rich peasants was two and a half times as great, and that of middle peasants over one and a half times as great, as for poor peasant households (see Table 5.18). In per capita terms, the average gross income of middle peasant households was 34 per cent above that of poor peasants, and that of rich peasants 80 per cent above that of poor peasant households (see Table 5.18). The average income per mou of arable land differed little between the strata: the average for co-operative members was 28.8 yuan, for rich peasants was 27.7 yuan, for middle peasants was 27.1 yuan, for poor and hired peasants was 24.3 yuan, and for former landlords was 22.3 yuan. (139) This reflects the relatively small gaps in the amount of means of production available per mou of arable land, and perhaps also the restraints faced by better-off peasants in increasing the proportion of output taken up by higher yielding products.

Some important differences were present also in respect to currency expenditure. The average rich peasant spent 58 yuan (per capita), compared to 42 yuan for the middle peasant and 32 yuan for the poor and hired peasant. In respect to expenditure on consumer goods, the relative per capita levels were 37 yuan for rich peasants, 26 yuan for middle peasants, and 25 yuan for poor and hired peasants. Per capita expenditure on means of production averaged 20.5 yuan for rich peasants, 16.0 yuan for middle peasants, and 7.2 yuan for poor and hired peasants. The absolute consumption expenditure of rich peasants thus greatly exceeded that of both the middle and the poor and hired peasants. However, both the middle and rich peasants greatly exceeded the poor peasant level in their absolute levels of per capita expenditure on means of production, and accordingly in their ability to expand via the purchase of inputs through the market. Even in respect to the proportion of cash expenditure going on means of production, the rich peasants

TABLE 5.18 Average income of different peasant strata, All-China, 1954^(a)
(Unit: yuan)

	Gross income (b)			Income per household from		
	(i) per household	(ii) per capita (c)	(iii) per worker (c)	(i) agriculture	(ii) sideline	(iii) other
Co-operative members (d)	704.6	138	271	466.4	160.5	77.7
Poor and hired peasants	488.7	116	244	272.6	138.5	77.6
Middle peasants	774.4	155	310	479.7	187.0	107.7
Rich peasants	1297.0	209	432	860.6	254.0	182.4
Former landlords	497.2	118	226	286.0	133.3	77.9
Average	692.9	n.a.	n.a.	420.6	172.8	99.5

Source: 'Concise and important materials ...'

Notes: (a) From a survey of over 16,000 peasant households in 25 provinces.

(b) Zong shou-yu.

(c) Derived.

(d) If the income which was kept back for public use had been included, then the income per household of co-operative members would have risen to 850 yuan.

TABLE 5.19 Gross 'outlays' (a) and currency expenditure (b) of different peasant strata,
All-China (c), 1954 (Unit: yuan)

Peasant stratum	Gross 'outlays' per household	Currency expenditure (c)			
		(i) total		(ii) livelihood goods	(iii) means of production
		per household	per capita	per household	per capita
Co-operative members (d)	702.3	n.a.	n.a.	n.a.	n.a.
Poor and hired peasants	473.6	135.5	52	105.2	30.3
Middle peasants	743.2	208.4	42	128.6	79.8
Rich peasants	1272.2	359.2	58	232.0	127.2
Former landlords	497.1	n.a.	n.a.	n.a.	n.a.
Aggregate	667.7	n.a.	n.a.	n.a.	n.a.

Source: 'Concise and important materials ...'

- Notes:
- (a) Zong zhi-chu
 - (b) Huo-bi zhi-chu.
 - (c) From a survey of over 16,000 peasant households in 25 provinces.
 - (d) Excluding the co-operative members' public outlays.
 - (e) Derived.

TABLE 5.20 Material consumption per capita of different peasant strata, All-China, 1954

Peasant stratum	Grain (liang-shi) (jin)	Meat (jin)	Edible oil (jin)	Cotton cloth (chī)
Cooperative members	391	9.3	2.7	20.5
Poor and hired peasants	353	7.4	2.3	11.6
Middle peasants	378	9.8	2.6	16.2
Rich peasants	413	11.4	3.0	29.9
Former landlords	361	7.1	2.2	8.9
Aggregate	373	9.2	2.5	15.4

Source: 'Concise and important materials ...'

Notes: From a survey of over 16,000 peasant households in 25 provinces.

(35.4 per cent) and the middle peasants (38.3 per cent) greatly exceeded the level of the poor and hired peasants (22.4 per cent). (See Table 5.19).

It is not surprising to find that levels of personal consumption of major commodities varied greatly between the strata. Of the four items for which information is available (see Table 5.20), much the smallest differences in per capita consumption levels were in grain, in which rich peasants consumed only 17 per cent more than the poor and hired peasants. The gap in meat and edible oil consumption was much larger. Rich peasants consumed 54 per cent more meat and 30 per cent more edible oil than poor and hired peasants. Middle peasants consumed 32 per cent more meat and 13 per cent more edible oil than poor and hired peasants. The biggest gaps were in cotton cloth consumption: rich peasants consumed 2.58 times, and middle peasants 1.40 times, the level of poor and hired peasants.

C. Conclusion

The picture of intra-village inequality in the period between land reform and collectivisation that emerges from the preceding section is more complex than the manner in which it has often been portrayed. There is no doubt that there was a revival of 'capitalist' practices - renting of land, hiring labour, usury, private petty trading and so on. However, they were much less widespread than in pre-Liberation China, mainly because the severity of land reform and the subsequent 'radical' atmosphere in the countryside even in Guangdong, discouraged these practices from developing as far as they might have done in an unconstrained situation. Furthermore, there is no doubt that inequality of significant dimensions in property ownership and income still existed, and that this caused peasants of different strata to have conflicting interests in the collectivisation movement of 1955-57. It is also the case that despite an improvement in the economic position of a section of the poor peasantry there remained

a 'rump' of poor peasants whose capacity for economic expansion was minimal, and most of whose productive efforts were required simply to keep their heads above water.⁽¹⁴⁰⁾

A superficial reading of the many articles written in China about differentiation within the villages in this period could lead one to the conclusion that polarisation was growing strongly in the villages. A careful reading of many of such writings in fact reveals that what they were really saying was that the unequal situation in the villages contained only a tendency towards polarisation, which would indeed develop if left unchecked. Evidence of this potentiality was said to be the emergence of the 'capitalist' features mentioned earlier in this section.⁽¹⁴¹⁾ However, most serious Chinese analyses admit that there were indeed severe restrictions placed on the rich peasant economy after land reform.

It has been seen in the preceding sections that structural conditions were not such as to encourage a rapid development of polarisation.⁽¹⁴²⁾ The legacy of land reform, the introduction of compulsory purchase of many agricultural products, a progressive agricultural tax, and a dominant 'leftist deviation' in the organisation of collective agricultural forms, reduced both the ability and the incentive for better-off peasants to rapidly expand their farm economy. The growing political weakness of better-off peasants was both a reflection of this process, and also a contributory factor to it. The most rapid area of expansion for better-off peasants seems to have been petty trading and insofar as there was a tendency towards polarisation in the countryside it appears to have been occurring in this area rather than in farming proper.

The period between land reform and collectivisation was a rather uneasy 'half-way house'. The restrictions on the development of polarisation may have made things easier in the collectivisation movement than they would otherwise have been, but the corollary of this was the

difficulty of motivating the better-off farmers to expand agricultural production as much as they were capable of doing with the resources at their disposal. This in turn probably assisted in bringing about the decision to push ahead with the transition to collective agriculture more rapidly than had been planned initially.

4. COLLECTIVISATION

The reasons for, and the details of, the advance to fully collective agriculture are not of immediate concern here,⁽¹⁴³⁾ except insofar as they had an impact on income inequalities within the village. At the end of the 'lull' of early 1953 in the movement towards agricultural co-operation there were no higher-stage APCs in Guangdong,⁽¹⁴⁴⁾ and only about seven per cent of peasant households were in lower-stage APCs (see Table 5.12). In a frenetic burst of activity in the autumn, the proportion of peasant households in lower-stage APCs rose within three to four months from seven to over eighty per cent (see Table 5.12). By June 1956 the proportion of peasant households in APCs of both the higher-stage and lower stage kind had increased to 91.8 per cent.⁽¹⁴⁵⁾ The movement to form higher-stage APCs began in Guangdong in early 1956, and by June already 44 per cent of peasant households had joined them,⁽¹⁴⁶⁾ and by November 1956, 88.8 per cent had joined,⁽¹⁴⁷⁾ with only 6.6 per cent left in lower-stage APCs (see Table 5.12). The transition from private to collective agriculture over the whole of China was rapid (see Appendix E, Table 4) but in Guangdong it was even faster. In the following sections an attempt is made to summarise the major respects in which collectivisation affected intra-village inequality.

A. Formation of APCs

- (a) Valuation of means of production brought into the collective

The valuation placed on land brought into the lower-

stage APC had a direct effect on the amount of income received by APC members in the allocation of that portion of co-operative income available for distribution to them: in the lower-stage APCs the co-operative paid each member "an appropriate sum" out of its annual income, proportionate to the amount and quality of land the members pooled in the cooperative.⁽¹⁴⁸⁾ The payment on this land was supposed to be calculated on the basis of the yield of the land in a normal year.⁽¹⁴⁹⁾ Guangdong, however, was singled out for criticism in the national press in late 1955:

At the present time, a part of the new APCs have not seriously appraised the production from the land that is brought into the co-operative. In Guangdong the APCs in each area have tended to universally push down the appraisal of output on co-operative member's land. (150)

Some work personnel were said to be ignoring the fact that APCs were still mainly at the lower stage: they

blindly consider that since the masses' enthusiasm for entering the co-operative is high, and moreover, sooner or later land dividends will be abolished, what is the necessity of still taking great trouble over assessing output from land - what is the point in looking for more bother? (151)

The original regulations on the organisation of APCs⁽¹⁵²⁾ had viewed land dividends primarily as a means of attracting into the co-operatives peasants with more than an average amount of land. However, the intention had been that the payments on land should remain fixed in absolute terms as production increased,⁽¹⁵³⁾ and so gradually fade into insignificance relative to remuneration 'according to labour'. The transition to higher-stage APCs took place more rapidly than had been anticipated in this regulation, and the procedure adopted in the formation of higher-stage APCs was simply to abolish dividends on land shares.⁽¹⁵⁴⁾ In many cases the transition to higher-stage APC must have been directly from private ownership so that there would have been no dividends to abolish.⁽¹⁵⁵⁾

It appears, then, that in respect to their landholdings, those with relatively large amounts or with land that was

more valuable, would have tended to suffer in the formation both of lower- and higher-stage APCs in Guangdong - in the former case due to the undervaluation of land and in the latter case due to the abolition of dividends.

The regulations concerning the transfer of means of production other than land to collective use and ownership were complex in the case both of lower- and higher-stage APCs, ⁽¹⁵⁶⁾ but the basic principle of all of them was that compensation should be given to those contributing them, whether as rent for use by the collective or as payment for transfer of ownership. The difference accorded land relative to other means of production was justified on the grounds that land was said to be not a product of labour while the other means of production were. ⁽¹⁵⁷⁾ Extensive provisions were made in the model regulations of the APCs to ensure that purchase prices and rents for means of production other than land were fair. On draft animals, large farm tools, and tools for subsidiary cottage occupations, for example, it was stipulated that the purchase price should be discussed and fixed according to normal local prices and was to be paid in installments, generally spread over three years, and in no case more than five years. ⁽¹⁵⁸⁾

In practice things did not go smoothly. In autumn 1956 Tao Zhu admitted:

Due to the hectic nature of the period of setting up co-operatives, amalgamating co-operatives, and the transformation into higher-stage co-operatives, work has been done very crudely, so that there are very many places in which the treatment of the means of production brought into the co-operatives by the co-operative members has been inappropriate, leaving very many problems left over. ⁽¹⁵⁹⁾

The Guangdong CCP Committee acknowledged in November 1956 that some well-off middle peasant households had suffered a big fall in income due to the fact that after they had entered the APCs they had obtained too low a price or an unsuitable dividend for mountain woodlands, orchards, economic crops, fish ponds, and so on. ⁽¹⁶⁰⁾ The problem of setting too low a price, or even giving no price at all,

for means of production brought into the APC, was by no means unique to Guangdong but was referred to on a widespread scale in the national press.⁽¹⁶¹⁾

These 'leftist deviations' in the treatment of means of production brought into APCs reflected the political atmosphere of collectivisation in which the leading activists were poor and lower-middle peasants, and may also have been influenced by the rapidity with which collectivisation occurred. The overall effect on the pricing of means of production brought into the APCs seems to have been that it was detrimental to the interests of those with relatively greater amounts of means of production prior to the transition to fully collective agriculture.

(b) Extent of absorption of means of production into collective ownership

In higher-stage APCs all agricultural land was to be turned over to collective ownership, with two exceptions. Firstly, each household was permitted to retain, on a per capita basis, a private plot "for growing vegetables"; the average amount of land per capita to be retained in this way was to not exceed five per cent of the average land-holding of the village in question.⁽¹⁶²⁾ Secondly, it was specifically ruled that small holdings of trees should be retained privately by APC members.⁽¹⁶³⁾

There is no doubt that in Guangdong in 1956, the average size of private plots was generally well below the five per cent maximum. In May 1957 Tau Zhu found it necessary to say: "The co-op members should definitely have private plots".⁽¹⁶⁴⁾ In Shun De xian in 1956 the private plots came to only three per cent of arable land.⁽¹⁶⁵⁾ Moreover, the large amount of work that APC members had to put in for the collective often meant that they had insufficient time to work effectively on their private plots.⁽¹⁶⁶⁾ There is little doubt that the peasants who were relatively well-off before collectivisation would have been earning more per capita than other peasants

from the land which should have been retained as private plots but which was forced into collective ownership, since they probably included a greater proportion of more highly-skilled farmers, and owned more and better means of production for cultivating such land. Only if full compensation had been given on such land would relative income levels have been unaffected and as was seen in the previous section, it is unlikely that this was the case. The attempt to affirm private plot rights in 1957 tended to restore the situation to that of pre-collectivisation. (167)

The situation in respect to fruit trees, mulberry bushes, and bamboo trees parallels that on private plots. Some well-to-do middle peasants received a "comparatively handsome income" from such sources before entering the APCs, and had their income from them cut on joining the co-operatives. (168) In 1957 an attempt was made to correct 'leftist deviations' in respect to certain special means of production, such as fish ponds, reed fields, orchards, and mulberry bushes, into which the former owners had put a lot of labour power, and which were earning a high income. They were permitted to be managed partially or completely by the original owners without turning them over to the co-operative "for the time being", provided such means of production were of a small scale. (169) Alternatively, such means of production could be turned over to the co-operatives but covered by a contract with the original owners who would share the income with the co-operative "in a certain ratio". (170)

The regulations of higher-stage APCs laid down that apart from land, only "important means of production", such as draft animals and large farm tools, should become collective property. (171) Poultry, domestic animals, small farm tools, and tools needed for domestic sideline production were not to be taken into collective ownership. (172) In fact, many areas in China did take such means of production into collective ownership (173) and there is no reason to think the situation in Guangdong was different. The extent to which this occurred is revealed by the attempts made by the government in 1957 to ensure that

the APC regulations were adhered to in this respect. A CCP Central Committee directive of September 1957, for example, laid down:

(in order) to encourage the raising of livestock, the members of co-operatives should be allowed to own domestic animals like cattle, horses, mules, and donkeys, up to a certain amount. (174)

As has been seen earlier in this chapter, the distribution of such means of production was unequally stratified between social groups in the villages, and the forcible admission of them to collective ownership would have had an impact on relative income levels unless compensation was paid in full, which was most unlikely. Equally, to the degree that they were returned to their original owner in 1957 they would have tended to restore the pre-collectivisation income differentials.

(c) Share fund contribution

APC members were required to contribute to two main share funds - a 'common property share fund' (gong-you-hua ji-jin) and a 'production cost share fund' (gu-fen ji-jin). (175) In the lower-stage APCs contributions were in general to be apportioned among APC members according to the amount of land each had pooled to the APC, (176) that is, on a progressive basis. In higher-stage APC formed from lower-stage APCs such funds were simply carried over; in those formed directly from private ownership, the share fund was collected "according to the needs of production and the resources of members", (177) again implying a progressive levy. Members who were poor and consequently unable to pay the share fund requirement were able to defer payment or pay less than the required amount. (178) No interest was payable on the contributions to the fund. (179) Contributions could be paid in kind via the means of production members put into the collective: any surplus was supposed to be refunded in installments. (180) The former landlords and the rich peasants were especially discriminated against in this respect. Their means of

production were to be used first to pay their contributions to the share fund; if a balance remained, it was to be counted as their share of the reserve and welfare funds, and if there still remained a surplus it was to be counted as "an additional contribution to the share fund".⁽¹⁸¹⁾ This effectively meant that landlords and rich peasants stood no chance of being paid for the means of production they brought into the co-op. A further clause specified that when the co-operative was short of funds, members could make investments in it "on a voluntary basis according to their means".⁽¹⁸²⁾

The nature of these regulations was such that merely working according to them would have resulted in a disadvantage for the well-off relative to the less well-off in terms of the level of per capita contributions to the share funds. It was not only rich peasants and former landlords who felt aggrieved at the share fund conditions. Many middle peasants also were annoyed at the fact that the means of production they brought into the APC had their value offset against their contribution to the share fund ⁽¹⁸³⁾ - not only was their contribution likely to be higher than the poor peasants', but there is a good chance that they felt that their means of production were assessed at too low a price. Moreover, better-off peasants objected to the fact that poorer peasants often did not immediately make their contribution.⁽¹⁸⁴⁾ Sometimes the contribution that the poor peasants should have made but were unable to make was still outlayed by the APC, for example on productive investment, which caused a reduction in the amount available for distribution to APC members.⁽¹⁸⁵⁾ Moreover, there were admitted to be "not a few co-ops" that, in mobilising the co-op members' investments, adopted "the erroneous method" of compulsory investment, and even froze the money on deposit in banks and credit co-ops, which "aroused the co-op members' apprehension and doubts".⁽¹⁸⁶⁾

B. Allocation of income available for distribution to APC members

In lower-stage APCs part of income available to be distributed to co-op members was distributed according to land shares, and part "according to labour". However, a national survey of APCs in 1955 showed that in lower-stage APCs 46.5 per cent of production expenditure went on remunerating labour and only 17.4 per cent in remuneration for land shares. (187) However, in the higher-stage APCs even the land dividends were abolished, and in Guangdong there was only a short period of time (in early 1956) during which lower-stage APCs dominated the organisation of agricultural production. Accordingly, the main focus in this section will be on the distribution system of the higher-stage APC and the nature and degree of income inequality that it produced.

(a) Income according to labour

After the deduction of taxation, production expenses, administrative expenses, the public welfare fund, and the public accumulation fund, the vast bulk of remaining collective income in higher-stage APCs was distributed as remuneration for labour. (188)

The basis of the system of distribution according to labour was the fixing of norms for the different tasks in the APC, so that a 'piece-work system' could be put into practice. The norm for each job was to be based on the amount and quality of work which an average APC member working diligently under normal conditions could do in one day on that particular job. Payment for fulfilling the norm was reckoned in 'work days'. The number of work days that a member earned for fulfilling the norm for each job was to be decided on the basis of the skill and intensity of labour involved and the importance of the job to the production of the co-operative as a whole. It was specified that the norm should not be set too high or too low, and that there should be 'suitable differences' in the number of work days awarded for fulfilling different job norms. APC members who overfulfilled the norm were

to receive a bonus of additional work days, and those who failed to complete the norm were penalised with a deduction from the allotted amount of work days. The income in cash and in kind available for distribution according to labour was to be allocated according to the total number of work days credited to the individual member. (189)

The kind of tasks that were considered to be relatively highly skilled were ploughing, sowing seeds, transplanting young rice shoots, and certain kinds of sideline production. Those considered to be relatively tough physically were such things as cleaning out pigsties and carrying manure. It was recommended that tasks such as these, and those of "relatively great importance to the APC", should receive 1.2 to 1.5 labour days (i.e. 12-15 work points). Average jobs, such as distributing hay to animals, should receive 1.0 labour days (i.e. ten work points). Those requiring relatively little skill and/or effort, and of relatively low importance to the APC, such as husking grain, it was recommended should receive 0.5 to 0.7 of a labour day (i.e. five to seven work points). (190) Someone who overfulfilled a high norm might accordingly have gained more than fifteen work-points, and someone failing to achieve a low norm might have received less than five workpoints.

The rationale behind this distribution system was clearly stated:

So, can we or can we not adopt the egalitarian method so that irrespective of the amount of labour done, or whether it is done well or badly, the same amount of reward is given, or award income in accordance with family size? If we adopt this method, then those who do less labour, who do not have skills, and whose level of technique is lacking, will not want to do more work and study technique and raise their skill level, since although they work less and do work less well, they still receive the same income as the people who work more, who have skill and a high level of technique, they will feel hard done by, and may feel unwilling to do more work, may feel unwilling to do the work that is relatively complicated and needs a high degree of skill, or they may feel

dissatisfied at being in the APC. Under these circumstances can the co-ops' production advance? Naturally it cannot. Egalitarianism is the mistaken viewpoint of the petty bourgeois class. (191)

How far did the reality of distribution in the APCs accord with the rules and recommendations just described?

In the first place, the system of labour day remuneration was a complex one to operate effectively. To make each norm and the labour days that should be received for it completely fair was admitted to be "a very difficult task": it required a knowledge of the different labour conditions for each job, of the amount and quality of labour that each labour power could do, as well as the carrying out of detailed comparison and analysis of the degree of skill needed in each job and of the degree of 'tenseness' in it. (192) Under any circumstances this would have been difficult but it was made especially so by the rapidity of the transformation to collective agriculture and consequent inexperience of many APC cadres. In August 1956 Tao Zhu admitted:

In the whole of Guangdong eighty per cent of APCs carry out 'fixed work norm' (gong-zuo ding-e) 'remuneration according to piecework (an-jian pei-zhi), and 'big contracts' (da bao-gong), but only about thirty per cent of co-operatives carry them out well. (193)

There were, however, problems involved in fixing the value of the labour day and in setting the norms for particular kinds of work that were not related only to difficulties of calculation. A serious problem was the tendency to downgrade the work points allotted for relatively skilled labour, such as pig-rearing, which contributed to the difficulties experienced by these types of production, and also tended to reduce the income of APC members with a relatively high skill level. (194) In Shun De xian there were complaints that work points allocated for heavy agricultural work were generally above those for skilled sideline work such as raising silkworms and keeping fish. (195) The fact that the work points for

technical work in Shun De xian were generally rather low, tending to reduce the income of the upper middle peasants.⁽¹⁹⁶⁾ More seriously for the APCs in Shun De xian, some of the more skilled upper middle peasants as a result reduced their work effort relative to when they were independent farmers.⁽¹⁹⁷⁾ It is, however, difficult to assess just how generalised this problem was, and to what degree such 'deviations' were corrected in 1957.

The critical factor in income allocation in higher-stage APCs was labour power. Unfortunately, no detailed study of the distribution of labour power by social stratum has been located for Guangdong, but two such studies were published for Zhejiang province,⁽¹⁹⁸⁾ which is located on the Central-South China coast. In these APCs in 1956 there were clear differences in family size between peasant strata, with poor peasants tending to have much smaller average family sizes than the other village strata (see Tables 5.21-22). In each of the Zhejiang village studies, the average family size of old upper middle peasants was about twice that of the poor peasant households, and that of the lower middle peasants 30-57 per cent above that of the poor peasants. The amount of labour power per household was similarly stratified. Even on a per capita basis there were marked differences in the quantity and quality of labour in each stratum. The number of work points per capita was higher for middle than for poor peasants, and there were important differences in the total number of labour days accumulated per capita by the different strata.

A variety of factors produced this result. For example, the health levels of the different strata were not equal; the pre-collectivisation poor peasants tended to be sick more often than other peasants and were therefore absent from work more often.⁽¹⁹⁹⁾ Skill levels were also stratified, though this would have tended to affect income inequalities only to the degree that skill inequalities were indeed recognised in the allocation of work points. In Fan Tian APC in Zhejiang province there

TABLE 5.2/ Inequality in labour power between peasant strata in first higher-stage APC in
Yu Cheng xiang, Hai Yan xian, Zhejiang province, 1956

Peasant stratum	Number of households	Number of people	Average number of people per household	Average number of basic work points (a)		Average number of labour days	
				(i) per household	(ii) per capita(b)	(i) per household	(ii) per capita(b)
Aggregate	271	1269	4.7	16.0	3.4	318.6	67.8
Poor peasants	32	105	3.3	7.9	2.4	166.2	50.4
Lower middle peasants:							
(i) new	99	421	4.3	15.3	3.6	280.4	65.2
(ii) old	48	226	4.7	16.6	3.5	287.8	61.2
Upper middle peasants:							
(i) new	56	265	4.7	20.9	4.4	371.8	79.1
(ii) old	36	252	7.0	23.9	3.4	517.8	74.0

Source: Li Bai-guan, 'On the distribution of income ...'

Notes: (a) Every ten basic work points are considered as one standard labour day.

(b) Derived.

TABLE 5.2.2 Inequality in labour power and income, Pan Tian higher-stage APC,
Yu Xin xiang, Jia Xing xian, Zhejiang province, 1956

	Average (a) size of household	Standard labour powers per household	Basic work points per household	Basic work points per capita	Basic work points per standard labour power	Average income per household (yuan)	Average income per capita from APC (yuan)
Aggregate	5.96	1.40	11.4	2.88	8.14	351	85.59
Poor peasants	2.99	0.94	7.5	2.51	7.98	227.28(b)	76.04(b)
Lower middle peasants:							
(i) new	4.69	1.78	15.9	3.39	8.93	337.69	71.97
(ii) old	4.18	1.50	12.7	4.55	8.47	375.69	89.90
Upper middle peasants:							
(i) new	2.80	2.33	17.8	3.01	7.64	414.56	148.06
(ii) old	5.89	1.53	12.5	3.00	8.17	595.60	101.14
Rich peasants	4.90	1.60	12.4	2.52	7.75	379.90	77.46
Former landlords	4.68	1.72	14.4	3.11	8.37	396	85.62

Source: 'A preliminary investigation of the question of increasing the income of poor peasants'.

Notes: (a) Derived.

(b) The poor peasant income in 1956 is given for the 91 households who were poor peasants in 1955. If one looked only at the 40 households who were still poor peasants in 1956, their average income per capit came to only 60 yuan.

were some poor peasants who were strong in labour power, but who had owned no draft animals or boats for transporting farm produce (nong-chuan) prior to collectivisation; consequently they did not know how to use them properly, and so were unable to earn the higher work points allocated to these tasks.⁽²⁰⁰⁾ Also, in this APC the poor peasants were not given the opportunity to learn to use new farm tools such as the double-wheeled double-bladed plough, or the rice planting machine, for which higher work points were allocated.⁽²⁰¹⁾

A further factor of relevance to the stratification in work point allocation was the issue of the appointment of people to carry out skilled administrative tasks. Each APC had a management committee "to run the co-operative", a chairman "to direct the daily work of the co-operative", as well as specialist posts such as bookkeeper(s), cashier(s), and supply clerk(s).⁽²⁰²⁾ It was recommended that the specialist posts should be filled by "responsible specialists" as part of the "responsibility system" in which there was a "rational division of labour".⁽²⁰³⁾ Insofar as APC rules on income allocation were followed such posts presumably would receive above-average work points. Given that levels of education were certainly still stratified within the villages prior to collectivisation, the possibility of acquiring such higher income-earning posts would have been unequal for the different strata. Indeed, a RMRB editorial of December 1955 urged criticism of "the mistaken notion that the poor and lower middle peasants cannot write and calculate, cannot talk, cannot 'do things' (zuo-shi), and so cannot run the co-operatives".⁽²⁰⁴⁾

(b) Income according to need

The major forms of distribution according to need were the 'five guarantees', and a portion of grain consumption. A part of co-operative income (from the welfare fund) was to be allocated in the higher-stage APCs to assist the aged, the weak, the orphaned, the widowed, and the disabled,

who were lacking in labour power or were entirely unable to work and were without means of support. (205) These people were to be given the 'five guarantees': a regular supply of food, clothing and fuel, education for the young, and a proper burial after death. (206)

According to data on 54 xians in Guangdong in 1957 there were 91,777 'five guarantee' households (containing 139,824 people), amounting to 2.4 per cent of the total number of households (0.9 per cent of the population) in those xians. (207) The 'five guarantee' households were said to be receiving from the APCs a grain ration (kou-liang) equivalent to the norm set locally for the amount to be retained (liu-liang) under the 'three-fixed' policy in spring 1955, as well as receiving 'oil money' (you-qian), 'vegetable money' (cai-qian), and fuel. (208) This was said to enable the 'five guarantee' households to attain a standard of living that was "slightly below the average level of the mass of the local population". (209) However, in 1956 the Guangdong CCP Committee admitted that the norms fixed for the 'five guarantee' households were too low in some APCs so that these households had "no way to maintain their livelihoods", and in some APCs there was basically no-one looking after such matters. (210) It was admitted at the national level that some APCs did not even believe in carrying out the 'five guarantees'. (211)

Much dispute surrounded the most important item of consumption, grain. The solution to grain distribution recommended by the government was a combination of distribution 'according to work' and 'according to need'; (212) this could take a variety of different forms. (213) For example, in 1956 in Guangdong's Gang Lie APC (Yang Jiang xian), of the summer harvest grain available for distribution after deduction of seed and fodder, 66.6 per cent was distributed on a straight per capita basis of 35 jin per month, and the remaining 33.4 per cent in accordance with work points, coming to 40 jin per month per labour power. (214) Grain distributed on the per capita basis

was deducted from the total income to which a family was entitled on the basis of its work points, and in some cases this could amount to more than the total work points earned by the family, in which case the family became a 'deficit household' in debt to the APC for the amount by which its grain ration exceeded its work point total. Under this system, inequalities in per capita grain consumption could be large: in Gang Lie APC, 3.3 per cent of households consumed an average of less than 35 jin per capita per month, and 5.6 per cent consumed over 80 jin (see Table 5.23). A further refinement was to modify the grain distribution 'according to need' by differentiating between age groups, as in Xi Jie xiang in Guangdong (see Table 5.24), so that someone of between 16 and 49 years of age received 66 jin of retained grain (liu-liang) per month, compared to 30 jin for children of one to six years of age.

As was discussed in Chapter 3 of this essay, grain was the only item of consumption to be rationed in this way. Coupons for other items that were 'rationed', such as edible oil and cotton cloth, only granted the holder permission to purchase a certain amount; they did not guarantee supply automatically. Cash was needed to realise the 'right to purchase' embodied in the coupon.

C. Domestic sideline income

Sideline production has already been seen to be extremely important in the Guangdong rural economy (see Chapter 2). A national survey of APCs in 1956 found that domestic sideline production (i.e. excluding the APCs collectively-run sideline production) produced 27 per cent of total net income in South China, compared to fourteen to eighteen per cent in other parts of China.⁽²¹⁵⁾ It seems likely that in absolute terms in 1956, sideline production declined in Guangdong (see Chapter 2). In 1957 there is little doubt that it increased sharply: in South China the above-mentioned APC survey found that

TABLE 5.23 Distribution of grain (liang-shi) in the summer harvest in Gang Lie APC, (a) Yang Jiang xian, Guangdong, 1956

Grain for distribution ^(b) (fen-poi liang-shi) (jin)	Number of households	Per cent of households
Total = 109,948	89 (c)	100.0
Monthly amounts eaten per capita:		
>35	3 (d)	3.4
>40	14	15.7
>50	41	46.1
>60	21	23.6
>70	5	5.6
>80	4	4.5
>90	1	1.1
Aggregate = 56.5		

Source: 'The experience of Gang Lie APC ...'

- Notes:
- (a) The apc had a total of 553 households, of which 89 were in these six brigades.
 - (b) The method of grain distribution, after deduction of public grain contribution, sale of surplus grain, sale of increased grain output, seed and fodder, was the following:
 - (i) two-thirds of the grain was distributed on a straight per capita basis, amounting to 35 jin per capita for the whole APC over five months; (ii) one-third was distributed according to labour, amounting to an average of 200 jin per labour power over five months.
 - (c) A total of 388 people.
 - (d) 'Five guarantee' households.

Table 5.24 Amount of grain retained (liu-liang) per capita per month in Xi Jie xiang, Guangdong, 1956

<u>Age (years)</u>	<u>Amount (jin)</u>
1 - 6	30
7 - 10	40
11 - 15	50
> 15 < 50	66
50	60
"strong labour power" "as much as 86" (jin per month) (b)	

Source: 'A new phenomenon in Xi Jie xiang', NFRB, 1st Oct. 1956.

Notes: (a) Grain "according to age"

(b) Grain "according to age" plus grain "according to work points"

the net income per household from domestic sideline production rose from 82 yuan in 1956 to 110 yuan in 1957 (216) (though part of this increase simply represented a transfer of income from collective to private sideline production).

The evidence presented earlier in this chapter indicates that prior to collectivisation there was a significant differential between peasant strata in their per capita resources available for carrying out sideline production, and it is likely that in the transfer of assets from private to collective ownership in 1955-56 better-off peasants lost more (in terms of per capita earnings) in this respect than less well-off peasants. The increase in domestic sideline production in 1956-57 seems most likely to have worked more to the benefit of the peasants who had been relatively well-off prior to collectivisation, through the medium of the return of many means of production to private possession by their former owners. (217)

Some idea of the inequalities that still existed in this area may be derived from the study of Fan T'ian APC in Zhejiang province in 1957. (218) The average poor peasant household had only 0.68 pigs, compared to 1.3 to 1.8 for the upper middle peasants, 1.2 to 2.0 for the lower middle peasants, and 1.1 to 1.5 for the rich peasants and former landlords (see Appendix E, Table 11).

D. Non-agricultural workers

Little thought appears to have been given in the prelude to the 'high tide' of co-operativisation to the question of non-agricultural workers, people such as cartmen, carpenters, stone masons, peddlars, and fishermen. The regulations of both lower-stage and higher-stage APCs provided that non-agricultural workers could be admitted. The APCs were visualised as developing a "diversified economy", combining agriculture with forestry, transport, fishing, sericulture, apiculture, poultry farming, handicrafts and animal husbandry. (219) However, no other guides were given to the treatment of non-

agricultural workers.

In Guangdong it was admitted that during the 'high tide' petty traders and handicraftsmen had been "pushed" into the APCs. (220) Once inside the APCs inadequate attention had been given to arranging work suitable to their skills, so that their sole income in many cases had been from agricultural work. (221) Generally their labour power had been weak, which is not surprising, as most of them were not experienced in farmwork; as a result they sometimes suffered a fall in income after entering the APCs. (222) Not only was the income they received from the APC relatively low, but they also tended to have a relatively low level of income from domestic sideline production due to lack of experience and shortage of means of production. In Qun Zhong APC in Zhong Shan xian in the Pearl River Delta, the per capita net income from the APC in 1956 of peddlars was 37 yuan, of handicraftsmen etc. 49 yuan, compared to over 90 yuan for poor, middle, and rich peasants; per capita net income from domestic sideline output was seven to eight yuan for peddlars and handicraftsmen etc., compared to 10 - 15 yuan for poor, middle and rich peasants (see Table 5.25).

A government directive of June 1957 instructed that such APC members should be permitted to continue in their former lines of work and keep their incomes derived therefrom to themselves, except for a small portion to be contributed to the APC sinking fund. (223) A September directive was more restrictive. It said that former peddlars could, with the approval of the commercial departments, form supply and marketing teams under the supply and marketing co-operatives. (224) Others, like handicraftsmen, with non-agricultural skills were to be organised to carry on various types of handicraft production under either co-operative or individual management. (215) If they were under co-operative management, then the directive instructed that the work points should be suitably adjusted to their technical level so that the workers involved could get a reasonable payment and increase their income. (226) Survey data from the

TABLE 5.25 Income of different peasant strata in Qun Zhong APC, Gang Kou xiang, Zhong Shan xian, Guangdong, 1956 (Unit: Yuan)

Peasant stratum	No. of households	Population	Amount of income distributed from APC		Domestic sideline production (b)	
			(i) to each household	(ii) per capita	(i) per household	(ii) per capita
Total	1189	5192	-	-	-	-
Poor peasants	918	3889	388	91.60	43	10
Middle peasants	83	473	531	93.10	55	15
Rich peasants	29	163	514	90.90	53	14
Former landlords	37	176	394	83	43	8
Peddlers	41	168	151	37.40	31	8
Poor people	26	98	283	75.10	35	9
Others (handicraftsmen, etc.)	55	225	199	49.10	20	7

Source: Wei Shuang-feng, 'A survey of the living standards ...'

Notes: (a) This APC was said to be reasonably representative of the whole of Zhong Shan xian.

(b) Side-line income: from raising pigs, chicken and ducks, and cultivating private plots.

TABLE 5.26 Inequality in income between peasant strata in APCs,
All-China, 1956-7 (Unit: yuan)

Peasant stratum	Average net income per household		Average net income per capita		1957 as per cent of 1956	
	1956	1957	1956	1957	(i) per household	(ii) per capita
Poor peasants	269	270	61.3	60.2	100.4	98.2
Lower middle peasants	330	351	67.6	69.9	106.4	103.4
Upper middle peasants	426	448	77.2	79.9	105.2	102.3
Other workers	272	287	63.4	70.6	105.5	111.4
Rich peasants	360	391	55.3	58.7	108.6	106.1
Other exploiters	318	359	59.0	66.2	112.9	112.2

Source: Statistical Investigation, 'Investigatory materials on distribution of income in 228 agricultural co-operatives ...'

Note: From a survey of 4,231 peasant households - part of a larger survey covering 76,749 households in 228 APCs in 23 provinces and two autonomous regions.

TABLE 5.27 Inequality in Long Zhong xiang, ^(a) Gao Yao xian, Guangdong, 1956

Peasant stratum ^(b)	Average net income per capita (yuan)	No. of households	No. of people	Per cent of population
Well-off	87	44	195	} 86.7 (c)
Middle level	67	464	1340	
"In difficulties"	50	77	262	} 13.3 (d)
'Five guarantee'	400 jin of grain (gu)	28	51	

Source: 'A survey of the living standards of the peasants in Long Zhong xiang'.

Notes: (a) In production and living standards this xiang is in the 'lower middle' category relative to surrounding villages.
(b) Categorised according to 1956 income.
(c) Those who can "get by" (guo-de-qu).
(d) Those who cannot "get by" (guo-bu-qu).

whole of China does indicate that non-agricultural workers increased their income relatively fast in 1957 (see Table 5.26) but no direct evidence has been located for Guangdong.

E. Quantitative evidence on the dimensions of inequality within APCs; 1955-57

A small number of village studies exists for the collectivisation period showing a detailed breakdown of intra-village inequality.⁽²²⁷⁾ They reveal that a hard core of poverty still existed in the APCs, in which per capita incomes were considerably below the APC average. For example, in Qun Zhong APC in Zhong Shan xian, the total net income (collective plus private) per capita for peddlars in 1956 came to 45.4 yuan, compared to 108.1 yuan for middle peasants (see Table 5.25). In 1956 in Long Zhong xiang, in Gao Yao xian, the average net income per capita of households who were "in difficulties" came to 50 yuan compared to 87 yuan for well-off peasant households; for 'five guarantee' households the average net per capita income was in all likelihood lower than 50 yuan (see Table 5.27). This group came to 9.5 per cent of the total village population in Qun Zhong APC and 13.3 per cent in Long Zhong xiang (see Tables 5.25 and 5.28). Beyond that level, the differences in average per capita net income levels between peasant strata were less. For example, in Qun Zhong APC in 1956 the average per capita net income from the APC of poor, middle, and rich peasant households was almost identical; even former landlords had an income only a few yuan per capita below them (see Table 5.25). In Long Zhong xiang in 1956 the average net per capita income of well-off peasant households came to 87 yuan, compared to 67 yuan for those in the middle peasant category (see Table 5.27).

However, it is possible that the figures for the highest peasant stratum conceal a wide range of incomes. Table 5.28 is especially useful from this point of view

Table 5.28 Inequality in different parts of Guangdong

(a) Zhong Kang xiang APC, Dong Guan xian, 1956

	Income (yuan) per household		
	(i) total	(ii) from APC	(iii) private sideling
Upper middle peasant 'A'	1615.3	1248.4	366.9
Average for whole APC	535.8	417.8	118.0
Ratio of old upper middle peasant 'A' to APC average	1:3.01	1:2.99	1:3.11

Source: 'A red flag is inserted into the banks of the East River', NFRB, 13th Jan. 1957.

(b) Shi Guang APC, Shi Pai cun, Guangzhou suburbs, 1956

Income (yuan) per household:

Average = 490

Highest = 2100

Ratio of average to highest 1:4.29

Source: 'Criticism of the erroneous statement that "the peasants are on the brink of starvation"', NFRB, 20th June 1957.

(c) Qian Jiao APC, Le Dong xian, Li and Miao autonomous zhou, Hainan Island, 1956.

	Income per household from APC (yuan)	Grain ration (kou-liang) per capita from APC
Average for whole APC	318	773
Highest in APC	1002	1000
Ratio of average to highest	1:3.15	1:1.29

Source: 'The rightist party gentlemen have made a mistake on their abacus!', NFRB, 8th Aug. 1957.

Note: There were a total of 147 households in the APC.

Table 5.28 Continued ...

(d) Mu Zhou qu, Xin Hui xian, 1956

<u>Income per household</u>	<u>yuan</u>
Highest	922
Average	530
Lowest 'five guarantee'	240
<hr/>	
Ratio of lowest to highest	1:3.84
Ratio of average to highest	1:1.74
<hr/>	

Source: 'If the rightist party do not surrender, then the Xin Hui people will definitely not end the matter', NFRB, 14th Aug. 1957.

(e) Qing Yuan xian, Long Man qu, Hong Wu Yue APC

Net income from agriculture and sideline. (: yuan)

	<u>1954</u>	<u>1955</u>
Poor peasant 'A'	140	193
Upper middle peasant 'B'	330	405

Source: Guangdong Party Committee Office, Forty APCs in Guangdong, Guangzhou: Guanglong People's Publishing House, 1955.

since it shows the relationship between the 'average' and the highest incomes per household in different APCs in Guangdong. In Zhong Kang xiang's APC in 1956 the ratio of the per household income (collective plus private) of a 'high' income peasant (not necessarily the highest in the APC) to the APC average was 1:3.01. In Shu Guang APC in 1956 the ratio of the average to the highest per household income was 1:4.29. In Qian Jiao APC the ratio of the highest to the lowest income per household from the APC in 1956 was 1:3.15 (see Table 5.28 for all the preceding information in this paragraph). In per capita terms it is most likely that these differentials would be lower. It may be concluded on the basis of this limited information that intra-APC differentials in Guangdong in 1956 were roughly in the range of 1:2 to 1:4 as between the highest and the average per household income, that they were considerably greater in respect to the gap between the highest and the lowest, and that in per capita terms the differentials were somewhat reduced.

Data from a national survey of 4,231 peasant households gives a similar picture of intra-village inequality (see Table 5.26). Differentials of net income between the highest and lowest strata were in the ratio of 1:1.58 for per household inequality and 1:1.40 for per capita inequality.

What do these differentials amount to in terms of material consumption? Two important points may be made here. Firstly, as has been seen earlier in this essay, the level of peasant savings rose strongly in the latter part of the First Five Year Plan. Limited information leads to the conclusion that there was considerable inequality in the level of per household savings for different peasant strata within the APCs. For example, in 1957 in Shi Ban cun in Qing Yuan xian in Northern Guangdong, thirty households had 200-500 yuan in the credit co-op and fifteen had over 1000 yuan; many households had less than 200 yuan, ⁽²²⁸⁾ and presumably many also had nothing. Secondly, a certain portion of collective income was

TABLE 5.29 Inequality in per capita income and material consumption in Fan Tian ~~MC~~,
Yu Xin xiang, Jia Xing xian, Zhejiang province

Item	Unit	Poor peasant (a)		New lower middle peasant (a)		Old upper middle peasant (a)	
		1955	1956	1955	1956	1955	1956
Real income (b)	yuan	35.05	62.4	66.29	82.8	128.0	158.0
Consumption	yuan	46.28	71.38	59.86	81.6	126.8	114.8
Surplus/deficit	yuan	(-)11.23	(-)8.98	(+)9.43	(+)1.20	(+)1.2	(+)45.2
Grain (kou-liang)	jin	450	475	400	537	666	666 (approx)
Edible oil	jin	1	1.5	2.1	3.15	3.6	5.6 (approx)
Pork	jin	0.8	1.21	4.2	7.75	13.2	13.2 (approx)
Cloth	chi	5	9.4	7.5	31.4	21.6	23.7
Medical expenditure	yuan	1.75	9.5	5.64	5.66	2.5	3.1
Daily-use goods expenditure (c)	yuan	1.8	5.5	15.8	17.8	-	-
House expenditure	yuan	Outlays on repairs = 0	Outlays on repairs = 1.7	-	Fundamental re-building = 30 (whole family)	-	-

Source: 'A preliminary investigation of the question of increasing the income of poor peasants'.

- Notes: (a) One representative peasant household was chosen for each stratum.
(b) Includes domestic sideline income.
(c) Includes fuel, matches, paper, etc.

TABLE 5.30 Inequality between peasant strata in Hunan province, 1956

Peasant stratum	Per capita net income		Actual per capita material consumption				
	(i) per cent of households	(ii) yuan	(i) Grain (jin)	(ii) Edible oil (jin)	(iii) Meat (jin)	(iv) Cotton cloth (chi)	
Well-off peasants	24.8	90(+)	575	4.5	13.0	17.8	
Middle peasants	62	70-80	550	3.3	9.3	16.4	
Poor peasants	13.2	50-60	468	2.9	5.9	14.6	
Aggregate	100.0	83.20	556	4.3	9.4	16.6	

Source: Hunan Provincial Statistical Bureau, 'We have begun the work of using and analysing survey data on the income and expenditure of peasant households', TjGZ, No.1, 1958.

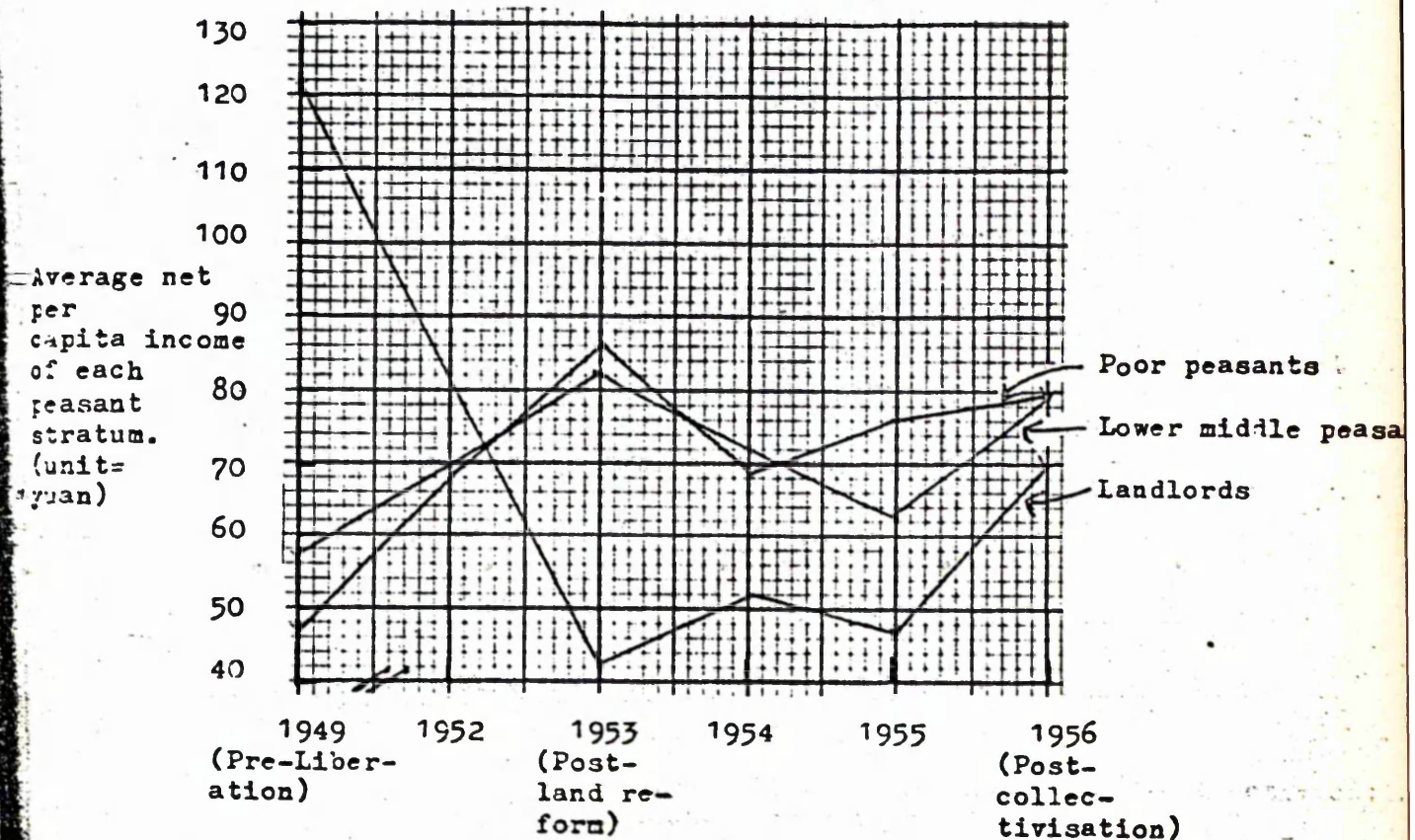
distributed 'according to need', as outlined above. In some cases this permitted members of the poorer strata to consume more than they earned. The combination of these two factors meant that per capita consumption levels were less unequal than per capita income levels (see Tables 5.14 and 29). In Fan Tian APC in 1956, a representative poor peasant household had an excess of 8.98 yuan of consumption over income, while a representative lower middle peasant household had a 1.20 yuan surplus of income over consumption; a representative upper middle peasant household had a surplus of 43.2 yuan of income over consumption (see Table 5.29).

Data on differentials in material consumption within the villages have not been located for Guangdong in this period, but a small amount of data is available for other South China provinces (see Tables 5.29-30). Unfortunately it covers a relatively small range of items. As with regional inequalities, the differentials in per capita grain consumption are the smallest, reflecting the influence of the policy of distribution in part 'according to need'. Differentials in edible oil and cotton consumption were larger, but not so large as for meat, reflecting the fact that rationing may have placed a ceiling on the upper levels of edible oil and cotton cloth consumption, while pork was probably still unrationed in 1956 in these areas.

F. Evidence on changes in intra-village inequality resulting from collectivisation

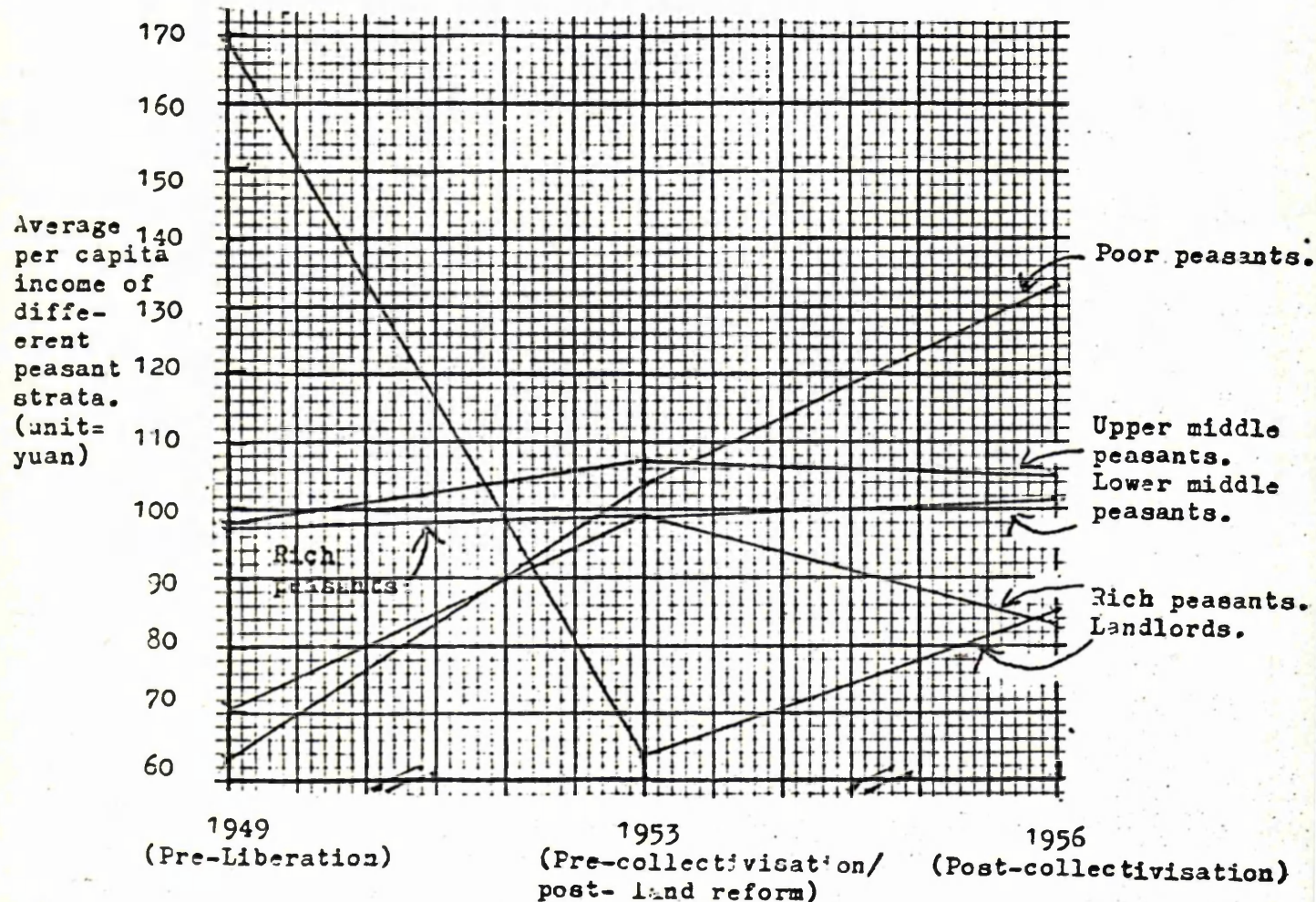
Some detailed studies fortunately do exist of individual Guangdong villages showing the changes in absolute income levels of different peasant strata over time (see Figures 1-3). In each case the levelling impact of land reform is dramatically illustrated, with a compression of income differentials not just between labouring peasants and 'landlords' but also among the different peasant strata. The impact of collectivisation on the basis of these surveys was less clear cut. There

Figure 1. Changes in average per capita net income of different peasant strata in Long Zhong xiang, Gao Yao xian, Guangdong, using land reform categories throughout.



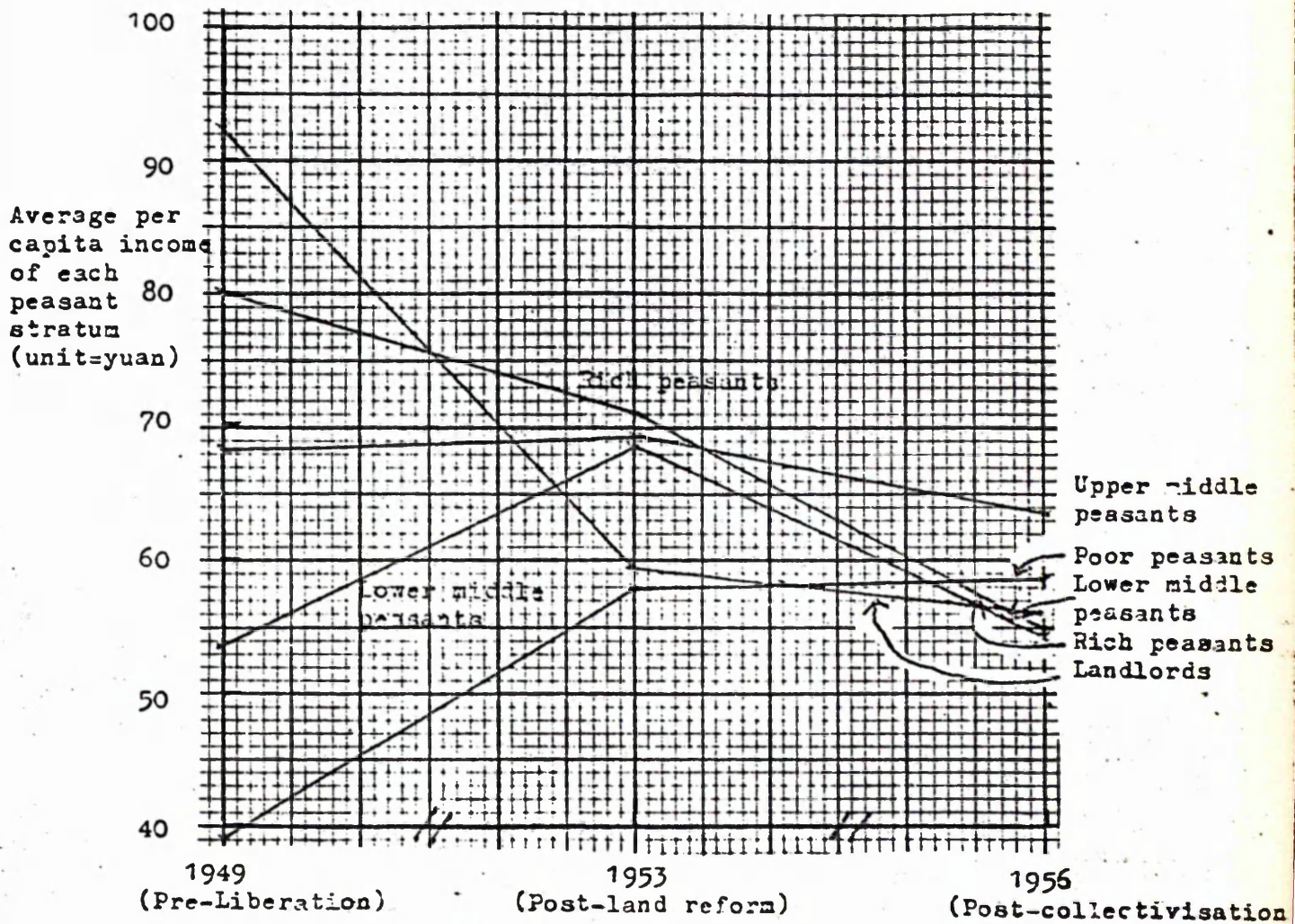
Source : 'A survey of the living standards of the peasants in Long Zhong xiang'.

Figure 2. Changes in inequality in (net.) income per capita in no.1 apc, Shi Long xiang, Huai Ji xian, Guangdong.



Source : 'The mountain region...'

Figure 3. Inequality in (net) income per capita in Guang Ning apc, Sha Tian xiang, Huai Ji xian, Guangdong.



Source : 'The mountain region...'

was a further tendency towards compression, but the movement in relative net per capita income levels was complex: in two out of the three cases former landlords improved their relative position in the hierarchy of village income inequality; in the two cases where data are available, the income of the rich and upper middle peasants declined relative to the poor peasants; the income of the lower middle peasants improved sharply relative to that of the poor peasants in one case, and declined in the other two; and in two out of three cases, the poor peasants improved their position in the village income structure.

The most detailed study of intra-village mobility in Guangdong in this period is that for Long Zhong xiang in Gao Yao xian (see Table 5.31). Over seventeen per cent of the households were still "in difficulties" after collectivisation either classified as "distressed households" or "five guarantee" households. Of these, only a tiny portion had been downwardly mobile, the vast majority having been poor peasants both before and after land reform. Three quarters of the households were classed as "average middle peasants" after collectivisation. Of these 65 per cent had been poor peasants before land reform, and thirty per cent poor peasants before collectivisation: collectivisation produced upward mobility into the middle peasantry, but land reform produced rather more. In respect of the well-off peasants after collectivisation, land reform and collectivisation each played an important role in their upward mobility.

A further insight on the complexity of the changes in stratification effected by collectivisation is given by the national surveys of APCs in 1956 and 1957 (see Tables 5.26 and 32). The former shows that the proportion of poor and new lower middle peasants who increased their incomes during collectivisation was indeed higher than for other strata, but it was nevertheless true that 66 per cent of former landlord households and 58 per cent of

TABLE 5.3/ Impact of land reform and collectivisation on class structure in Long Zhong xiang, Gao Yao xian

Peasant household stratum	At time of land reform (1953) (a)	Pre- co-operativisation (1955)
(a) <u>Origins of today's</u> ^(b) 44 well-off peasant households		
Landlord and rich peasant	-	-
New upper middle	4	6
Old upper middle		11
New lower middle	18	16
Old lower middle		11
Poor	22	-
Total	44	44

(b) Origins of today's^(b) 464 average middle peasant households

Landlord and rich peasant	34	34
New upper middle	4	7
Old upper middle		10
New lower middle	125	149
Old lower middle		124
Poor	301	140
Total	464	464

(c) Origins of today's^(b) 77 "distressed" households

Landlord and rich peasant	4	4
New upper middle	6	-
Old upper middle		-
New lower middle		2
Old lower middle		1
Poor	67	70
Total	77	77

.../Cont'd

TABLE 5.31 (Cont'd)

Peasant household stratum	At time of land reform (1953) (a)	Pre- co-operativisation (1955)
(d) <u>Origins of today's</u> ^(b) 28: 'five guarantee' households		
Landlord and rich peasant	-	-
New upper middle	} 2	-
Old upper middle		-
New lower middle		-
Old lower middle		2
Poor	26	26
Total	28	28

Source: 'A survey of the living standards of the peasants in Long Zhong xiang'.

Notes: (a) Immediately before land reform.

(b) 1956.

TABLE 532 Change in income for different peasant strata, 1956 relative to 1955

Peasant stratum	Total number of households	Households with increased incomes as per cent of total	Households with stable incomes as per cent of total	Households with fall in income as per cent of total
Total	195,354	67.53	4.38	28.09
Poor peasants	65,394	69.34	4.13	26.53
Lower middle peasants:				
(i) new	39,184	72.89	4.10	23.01
(ii) old	35,353	64.26	4.61	31.13
Upper middle peasants:				
(i) new	17,268	67.45	4.53	28.02
(ii) old	23,542	61.92	4.88	33.20
Other working people	2,768	62.50	6.45	31.07
Rich peasants	5,194	57.78	3.81	38.41
Landlords and other exploiters	6,671	65.58	4.55	29.97

Source: Su Xing, Our Country's Socialist Path, p.95.

Notes: From a survey of 564 APCs in 20 provinces and autonomous regions in 1956.

rich peasant households increased their incomes during collectivisation. The latter shows that the fastest rates of growth in net income per household in 1957 occurred in the rich peasant and "other exploiter" (i.e. former landlord) strata.

What conclusions can be derived from the foregoing analysis in respect to the impact of collectivisation on intra-village stratification? Firstly, it must be stressed that the information for Guangdong is limited, so that conclusions must be tentative, though an attempt has been made to supplement the picture with national surveys of stratification. However, there does indeed appear to be a coincidence between qualitative and quantitative information. The first year of collectivisation (1955-56) produced a tendency for a decline in the income of rich and upper middle peasants, and a rise in the relative income of poor peasants as well as former landlords. This picture must be qualified by the following considerations. Firstly, the decline in the income of the upper group was nowhere near as dramatic as that of the landlords during land reform, due in large measure to the fact that intra-village inequality was much reduced after land reform. Secondly, for many relatively well-to-do households the negative effects of collectivisation of their means of production under adverse terms was compensated to some extent by their often superior ability to earn income from labour within the APCs. Thirdly, in 1957 there was an improvement in the relative position once again of the better-off peasants of pre-collectivisation due to the return of many of their means of domestic sideline production, greater attention paid by the APCs to skill as a criterion for allocating work points, and due to also perhaps the temporary re-opening of 'free' markets. Fourthly, there remained a hard core of poor peasants in the villages, whose labour power inadequacy disadvantaged them in a system of income distribution according to labour, and who also possessed relatively small amounts of means of domestic sideline

production.

Collectivisation compressed inequalities within the villages, but not by as much as land reform. Moreover, the compression was accompanied by a complex pattern of mobility, especially if the relaxation of 1957 is taken into account. Income inequalities remained; they were regarded as necessary in order to motivate the peasants who still thought strongly in terms of their personal material advantage.

Conclusion

The nature of inequality within the villages in China before 1949 has been much debated. The kind of 'static' studies seen in the first section of this chapter suggest that there were indeed important inequalities of resource ownership and income between different strata in the village, both between farmers and landlords, and among farmers themselves. The complexity of socio-economic relations was confirmed in that among ordinary farmers no simplistic divisions could be drawn between different strata in respect to renting of farm land, hiring labour, or making usurious loans. However, the static data do suggest strongly the existence of important differences between strata according to income level, most importantly between farmers and better-off landlords, but also among ordinary farmers.

It has, however, been suggested that somewhat different results might be obtained if inequalities were analysed in a 'dynamic' way, examining the movement of income levels of different strata over time. At the heart of such an approach is the shift that occurs in the balance between producers and consumers over the course of the family cycle.⁽²²⁹⁾ In part this theory is simply an attempt to explain differences in average farm size within peasant communities but it also gives insight into differences in levels of household incomes per capita. The key variable in differentiation in this model is the worker-dependent ratio. The best-off households are those with the most advantageous ratio; and vice versa. While some elements in differentiation with Chinese villages before 1949 may have been explicable in this fashion it only goes part of the way towards an explanation. The ownership of agricultural means of production, notably land, was skewed, and a poor peasant household with even an advantageous ratio of workers to dependents would find it hard to expand through purchase of extra land. Expanding through renting in extra land as the worker-dependent ratio became favourable was a possibility, and in support of this view is cited the fact that often rich peasants hired in more land per household than poor peasants. However, as has been pointed out rich peasants typically also owned more land than poor peasants and were renting in so as to add to their surplus product. For a poor peasant household renting in most of their land represented a hard road to expansion. That path was made more difficult for the poor peasant household by the absence of initial accumulation of capital with which to

finance the investment necessary to enter the more lucrative lines of production. Indeed, the reverse would tend to be the case, in that the poor peasant would in all likelihood move into the phase of an advantageous worker-dependent ratio with debts from the phase when the ratio was less favourable. Further, the quality of labour in terms of both skill and strength, would tend, for reasons already discussed, to be poorer than that of better-off farmers. Finally, the 'shape' of the village class structure pre-1949 tends to be 'pyramidal', so that a majority of peasants fell into what can be loosely termed the 'poor peasant' stratum. A theory of differentiation based on the family cycle would tend to support a more even distribution over the whole range of incomes. So, while the family-cycle theory is useful, it seems that there were strong elements of inter-generational stability in the income structure of the pre-1949 Chinese villages that are explained by a more complex clustering of factors. The theory has greatest relevance in explaining the relatively high degree of mobility into and out of the very top positions in the village income structure, since the tendency of family size to rise with income level was strong. Allied to the Chinese system of inheritance, namely division of the household (fen-jia) among male heirs, there was a strong built-in mechanism to downward mobility out of the highest positions. An interesting paradox of this approach is that it appears to have a much greater relevance to the explanation of income mobility under collective agriculture than to that of the pre-1949 villages.

That land reform exerted a dramatic effect upon intra-village income inequality is relatively uncontentious. It did so through the confiscation of a large part of the capital owned by the richer elements in the villages and by those outside the village owning capital inside it. This single move eliminated perhaps the most fundamental inequality in village income, between those whose incomes were received as a result of direct labour in the fields and those whose incomes were received primarily from payments from others for the use of their capital (mainly land, secondarily savings of cash or farm products, and less importantly, farm animals). Not only was the nature of income inequality altered, but also its dimensions, in that land reform reduced to the average level or even to a level below it, the incomes of the small group of relatively large landlords (as opposed to the much more numerous group of small landlords).

A more controversial argument advanced in this thesis concerned the little-studied issue of the course of intra-village inequality between land reform and collectivisation in 1955/6. It is accepted by many secondary

sources that during this period polarisation was developing in the Chinese villages. Accordingly it is argued that collectivisation is most appropriately viewed as an attempt to prevent the further development of 'class differentiation' in the villages. It has been suggested here that the Chinese situation (in contrast, for example, to that in the USSR in the 1920's) was not of this type. Rather, a whole series of policy measures (the widespread organisation of simple collective forms of production, tight controls over the marketing of farm output, and increasing penetration of the CCP into village politics) sometimes intentionally and often unintentionally helped to restrict the development of a 'rich peasant' stratum. While important income inequalities existed still between village strata on the eve of collectivisation, the dynamic process of 'polarisation' does not seem to have been developing in the fashion that often has been suggested. Rather than viewing collectivisation as an answer to growing polarisation it seems more appropriate to see it primarily as an attempt to boost the growth of farm production of the optimistic hope that the transformation of village socio-economic relations in a 'socialist' direction would release a flood of creative endeavour and produce a more rational utilisation of village resources.

The impact of collectivisation on intra-village income differentiation is complicated, and overall much less clear-cut than the impact of land reform (or indeed of the Great Leap Forward in 1958-9). While it established a minimum 'floor' to village consumption it clearly did not eliminate the hard core poverty of labour-poor households: only in the Great Leap Forward with its attempt to 'pull out the roots of poverty' was this problem forcefully attacked. The formal rules governing income distribution left room for considerable differentials both from the collective and the private sector, in the process of which many of those who had been better-off before collectivisation tended to come out on top of the village income hierarchy: these were the peasants with stronger, healthier, more skilled workers, better labour/dependent ratios, and superior private means of production. This seems to have been the situation in 1957. However, in the first year of collectivisation (1955-6), the private sector was restricted and skill downgraded as a criteria for collective remuneration, so that many of those who had been better-off before 1955/6 and who came out on top in 1957 may well have had their relative incomes depressed. The oscillation of policy between 1955 and 1957 in respect to those structures that affected intra-village income distribution was a foreshadowing of similar policy swings throughout the period from the late 1950's to the late 1970's within a framework of a basic commitment by the leadership to the primacy of collective agriculture. (330)

Conclusion

1. Summary of main findings

1. Average level of income in the Guangdong countryside in the mid-1950's.

(a) Personal disposable income in financial terms.

In 1956 the average net income per capita of the agricultural population in Guangdong was 66 yuan. Net income was defined as the gross value of agricultural production minus costs of production, common accumulation fund, common welfare fund, and the agricultural tax.

(b) Level of consumption of goods and services.

A minimum of 77 per cent of the average peasant's expenditure in Guangdong in 1956 was estimated to have been devoted to food consumption. Grain alone occupied about half of the total value of peasant food consumption.

(c) Energy intake.

Despite devoting nearly all of their total expenditure to food consumption, the energy intake of the Guangdong peasants in the mid-1950's still was precariously low. The average daily energy intake in the mid-1950's was estimated to be only just over 2,000 calories.

2. Changes in the average level of rural income, 1952-1957.

For reasons discussed in the text, 1952 and 1957 are appropriate years between which to make comparisons. However, in discussion about the rural economy five years is a short period, and to produce unambiguous conclusions a longer span of analysis is necessary. Such a long-run perspective is provided briefly in the second part of this conclusion.

(a) Growth of farm output.

In the main the growth of farm output in Guangdong in this period had to be achieved without the aid of modern inputs. Moreover, a real

constraint was faced in expanding the 'arable frontier': such expansion as occurred was entirely swallowed up by growth of rural population; the amount of farmland per rural dweller in fact declined slightly from 1952 to 1957. The main focus in farm production continued to be on grain, with roughly two-thirds of the increase in sown area between 1952 and 1957 devoted to it. This reflected both pressure of population and the national government's determination to minimise imports of foodgrain.

Over the whole period the performance of farm production looks successful. The gross value of agricultural output at constant (1970) prices per capita of rural population grew by around four per cent per annum (compound) between 1952 and 1957. However, the temporal pattern of growth left room for concern. All farm sectors grew strongly up to 1954, but between 1954 and 1956 the performance was mixed. In 1955 the performance of most sectors was poor, though bad weather could be blamed. In 1956 grain performed well while other sectors did not, and in 1957 the picture was reversed: collectivisation and the modifications to the collective structure in 1956-7 undoubtedly were the main reasons for the contrast between 1956 and 1957. As well as the indifferent growth of output after 1954 it should be remembered also that while total farm output in Guangdong had in most sectors recovered to the peak pre-1949 level by 1952, it is much less certain at what point pre-1949 peak levels of output per farmer was recovered.

(b) Conditions of disposal of farm output.

The 'surplus' output that formerly had been taken by landlords was not permitted in its entirety to remain in the hands of the ordinary farmers after the land reform. An important part of that surplus was directly extracted by the state in the shape of the agricultural tax which rose to a peak in Guangdong in 1953 and 1954 when it took about 14-15 per cent of the total grain output. After then it remained stable in absolute terms (declining as a proportion of farm output) until at least the end of the First Five Year Plan. Further measures were taken to ensure that the level of marketings was maintained after the land reform (rather than the 'surplus' being directly consumed by the peasantry) through the introduction of compulsory purchase quotas for grain (November 1953) and later for some other key commodities. Grain marketings in Guangdong rose from 29 per cent of total grain output in 1952 to 40 per cent in 1954. It may be guessed that at the prevailing rates of exchange between agricultural and industrial

commodities this is a higher level than would have been marketed voluntarily.

Throughout the period 1952-7 a unit of farm produce in Guangdong was able to buy less industrial goods in exchange through state channels than had been the case in 1930-6. However, perhaps as much as one-third of total farm exports to the non-farm sector went through private channels so that were a full calculation of urban-rural terms of trade possible the picture might appear more favourable from the farmers' point of view, than is shown simply by looking at state-controlled trade. The terms of trade through state channels improved quickly for the farm sector in Guangdong up to 1953 but remained virtually unchanged from then until 1957.

National data suggest that perhaps two-thirds of farm investment was financed within the farm sector. Moreover, there is plenty of evidence to suggest that the rate of investment rose during the collectivisation movement as allocation decisions were removed from the hands of individual peasants. There is no reason to think that the situation in Guangdong was different from the national picture.

(c) Direct evidence on rural personal disposable income and living standards.

National data show that the real value of personal disposable income for peasants already by 1952 had recovered to a level one-fifth higher than the pre-1949 peak. It was noted above that in Guangdong output per peasant in real terms was almost certainly lower (due to population growth) in 1952 than in 1930-6 (the pre-1949 peak). State taxation, although very important, was certainly much below the level of rent payments in the 1930's. However, the adverse movement of the urban-rural terms of trade constituted a further drain on the rural 'surplus' in comparison with the 1930's. For the real value of personal disposable income per peasant in Guangdong in 1952 to have been above the level of 1930-6 the 'extraction' through state taxation and adverse terms of trade would have had to be sufficiently far below the level of extraction in the 1930's (principally through land rents) to compensate for a probable fall in real per capita output (from 1930-6 to 1952) on account of rural population growth. Precise quantification proved impossible. However, it is at least possible that in Guangdong such a recovery in the real value of personal disposable income among peasant farmers had not been made by 1952.

National data show a growth of only fifteen per cent in the real value of rural personal disposable income between 1952 and 1956 and in

some provinces there is even a fall from 1952 to the mid-1950's. Regrettably, reliable provincial-level data on changes in the real value of personal disposable income for Guangdong farmers were not located.

Data on changes in material consumption per capita in Guangdong are much better. They show a quick growth of average consumption of major non-grain items after 1949 through to 1953, but little change thereafter. At best, then, it seems that it may have been difficult to push beyond pre-1949 peak levels of per capita consumption. The picture in respect to grain is rather different. Unquestionably grain consumption per peasant in Guangdong fell in 1954 after the introduction of the compulsory purchase system, as indeed it did in other provinces. However, by 1956-7 it had advanced again beyond the levels of 1952-3 to an annual (unhusked) per capita consumption (excluding seed and fodder) of about 255-260 kilograms.

Plenty of data are available on non-material consumption, notably on health and educational facilities. While considerable expansion occurred in Guangdong in the 1950's, facilities in the rural areas were mainly collectively-financed, and the level of collective financial resources for such activities in most areas was not large. The main advances consequently seem to have occurred in the urban and peri-urban areas. It was only with the Cultural Revolution that a major effort was made to change this situation.

(d) Overview.

Unsurprisingly, trends in the average level of rural consumption followed quite closely trends in physical farm output, growing quickly in the early 1950's, and stagnating in the mid-1950's. The picture is complicated by relations with the non-agricultural sector. A severe and rising (up until 1954) agricultural tax prevented the full increments to output from being consumed by the farm population. Moreover, increases in grain consumption were checked by the tight control imposed after November 1953 on grain marketings. Further, the effect of land reform in terms of diverting farm surplus from landlords to farmers was prevented from operating fully in raising rural consumption not only by the agricultural tax but also by the adverse (compared to 1930-6, the previous output peak) movement in the terms of trade between farm and industrial commodities.

3. Inequality between town and countryside.

Within both the rural sector (as seen in chapters 4-5) and the urban sector important inequalities of both a 'horizontal' (sectoral and spatial) and a vertical (between strata in a given enterprise, sector, or area) kind existed. Most of the urban data relate to the most important single group of earners, those employed by the state. It has to be remembered that the comparison between rural and urban incomes might yield rather different results if detailed information about non-state workers was included.

(a) The urban-rural gap in financial terms.

The objective of this section was to produce a comparable figure of the monetary value of average per capita personal income in town and countryside in Guangdong in the mid-1950's. To obtain a truly comparable figure indicating accurately in financial terms the command over the consumption of goods and services that it provides, various adjustments had to be made to the normally-presented data on urban-rural income inequality.

Basic wage levels of state employees in Guangdong in the mid-1950's were on average about four times as high as the average value of earnings per worker (in cash and kind) as usually reported in the APC's. However, urban workers obtained income in addition to their basic wages - cash income in the form of premia payments and income in kind in the form of various subsidised welfare services. Moreover, the worker in an APC also earned an important part of his income from private sideline production. All these have to be considered to obtain an accurate picture of relative wage levels in terms of the command over the consumption of goods and services that the wage provides. Furthermore, the self-produced, self-consumed portion (the major part in the mid-1950's) of farmers' income was usually valued at local prices (state purchase price or free market price depending on the item). Urban workers had to purchase such items at higher urban prices, so that the peasant figure as usually underestimates the amount that they might consume compared to urban workers. The self-produced, self-consumed portion of rural income therefore has to be re-valued at urban prices. At this point then we have a comparable figure for earnings in the different sectors.

It is conceivable, however, that savings rate differed in the two sectors. It was, indeed, found to be the case that while levels of personal savings in the rural areas generally were negligible in the mid-1950's, urban workers in state employment may have been saving over ten per cent of their income. As a result the gap in the financial value of consumption levels was probably less than the gap in earnings (both appropriately adjusted as indicated above).

It is the case also that there are certain items of additional urban expenditure that arise simply on account of the urban environment, but which do not provide additional utility. For example, fuel has to be purchased in the city whereas it often can be collected free in the villages; villagers can walk to work whereas urban dwellers often have to pay for transportation to get to work. To obtain a truly comparable monetary value of the consumption of goods and services such extra urban outlays should be deducted from the (appropriately-adjusted figure of urban consumption).

Finally, it is possible that the worker-dependent ratios are different in the two sectors, because of differences in family structure, in employment opportunities, or in other factors. In Guangdong in the mid-1950's, mainly on account of the greater availability of part-time employment in the countryside, it seems that there was a smaller member of dependents per worker in the rural areas than in the cities. Consequently, to accurately reflect living standards in town and countryside the data considered above ought to be analysed in per capita terms rather than per worker.

When allowances have been made for all of these factors the gap in living standards between town and countryside is less than it appears on a superficial analysis (from, say, looking at the gap in reported earnings). The author attempted to make such adjustments himself to the Guangdong data. He found that in 1956 (post wage reform annual rate) the ratio of earnings per worker (including the social wage) in state employment to earnings per worker in the APC's (including private sideline income) was 1:4.4/5.0. However, after making all the adjustments outlined above the ratio of per capita consumption of state employees to that of peasants was reduced to 1:2.0/2.3.

- (b) The urban-rural gap in the consumption of goods and services in non-financial terms.

The level of per capita grain consumption in urban and rural areas in Guangdong in the mid-1950's was virtually the same, but information from other provinces suggests strongly that the quality of urban consumption (in relation to the proportion of fine grain to coarse grain) was markedly higher than the average in the rural areas: state employees generally ate rice, whereas a large number of peasants in Guangdong consumed a substantial amount of potatoes rather than rice. Only fragmentary data are available for vegetable consumption in the rural areas of Guangdong, but data from Hubei and Guangxi show virtually identical per capita consumption figures in town and countryside.

The supply of grain was tightly controlled in both town and countryside after 1953. Vegetables also appear to have been rationed, at least in the urban areas, in the mid-1950's. The other key items over which relatively tight controls operated in Guangdong in the mid-1950's were cotton cloth, edible oil, and sugar. The level of per capita sugar consumption in Guangdong (the major sugar-producing province in China) was higher than in most parts of China, and levels in towns were only slightly above those in the countryside. However, in common with other parts of China consumption levels of cotton cloth and edible oil in the urban areas were a lot higher than in the rural areas.

Pork was not rationed until late 1956, and other meats (and fish) not rationed at all at this stage. The data from Guangdong, together with those from Guangxi and Hubei (both in Central-South China) show urban consumption levels one-and-a-half to twice times those in the villages. It was noted in pre-1949 studies of the rural economy that the presence of fish ponds and flocks of poultry did not necessarily mean that peasants consumed sizeable amounts of these items, since they frequently were for sale rather than self-consumption. This still seems to have often been the case in the 1950's. These items were still not rationed, and the relatively unambiguous Hubei province data show urban levels of per capita consumption for both much in excess of those in the countryside.

Consumption levels of 'luxury' items such as watches, bicycles, and radios still were very low in China in the 1950's, but average urban levels were much in excess of those in the countryside.

Data on education and health levels in Guangdong in the mid-1950's are difficult to evaluate in the absence of clear information on the quality

of service provided. The available data (without any adjustment for quality of service) suggests much higher urban levels. For example, school attendance rate for the urban population was perhaps twice that in the villages; Guangzhou in the mid-1950's had only about five per cent of the total population of the province, yet it possessed 24 per cent of the province's hospitals and 17 per cent of its sick beds.

(c) Changes in the urban-rural gap.

Data on changes in the urban-rural gap in income and living standards were not good for Guangdong. However, at a national level and in other provinces the gap widened considerably (at least as between peasants and state employees). The growth in rural living standards was slower than hoped for, and the substantial increase in average earnings of state employees in the 1956 wage reform turned out to be even larger than planned. There is no reason to think that the same picture did not apply also in Guangdong.

(d) Policy.

Judging from the First Five Year Plan policy towards the urban-rural gap was not too clear: definite increases were planned for state workers but for farmers the plans for increases in income were vague. A more definite policy position was forced out of the leadership as a result of the serious political and economic consequences of the widening of the gap. In Guangdong, for example, a great deal of space in the provincial press was devoted to discussing this issue in autumn 1957 after the extent of peasant discontent was revealed during the Hundred Flowers campaign. The main thrust of the CCP's position was two fold: first, to argue (correctly) that the extent of the gap in living standards was, when correctly analysed, less than it appeared; second, the gap that did exist (even when correctly measured) was strictly defended in a variety of ways. The only path held out for a reduction in the gap was the long slow one of steadily raising the level of agricultural labour's productivity as the basis of improved rural living standards.

(e) Overview.

Chinese data allow a reasonably clear picture to be formed of the nature and extent of the gap in income between town and countryside. It

was shown that when appropriate adjustments were made the extent of the urban-rural gap was less than it appeared to many in China in the mid-1950's. However, that a significant gap in living standards did exist between peasants and state employees is clear. Moreover, due to the combination of slow growth (at best) of real income in the countryside in the mid-1950's and a sudden jump in state employees' real income in 1956 the gap sharply widened. The result was extensive complaints by the peasantry in 1957 during the Hundred Flowers, the force of which probably took the CCP leaders by surprise. On the more narrowly economic front, the gap in living standards between town and countryside helped to stimulate a substantial inflow of population from rural to urban areas. Insufficient work was available for the immigrants and the problem of coping with them was a considerable headache for the authorities in large cities such as Guangzhou.

4. Spatial differentials.

(a) The inherited situation.

Guangdong is a large, complex rural economy with a great diversity of agricultural conditions. In respect to natural soil fertility, access to irrigation, cultivation ratio, and location relative to large urban markets, the huge Pearl River delta and the lesser Han River delta can be broadly distinguished from the rest of the province, where agricultural conditions are less favourable. As might be expected, output per acre tended to be significantly higher than the provincial average in these favoured areas. Despite their superior natural advantages, rural population had not shifted in such a way as to produce a rough equality in output per person between regions. In the pre-1949 countryside of Guangdong it seems likely that grain output per capita tended to be above the provincial average in the deltas and their immediately surrounding areas. Moreover, these areas also tended to have more complex production structures than most parts of the province (the main exception being the mountainous areas) with farms producing a relatively large amount of the higher-income-earning non-grain products (e.g. sugar, silk, fish, vegetables) for the urban markets. The delta areas did not have a markedly lower amount of farmland per peasant than other parts, but superior fertility and location combined to tend to produce a higher level of net income per farmer (excluding consideration of rent payments).

(b) Regional differentials under different institutional arrangements.

(i) Pre-1949.

While institutional barriers might have helped in pre-1949 Guangdong to prevent rural population adjust to farm resources (by quantity and quality) so as to equalise net income per farmer (excluding consideration of rents) in different parts of the province, it is possible also that more narrowly economic considerations played their part, in particular the question of tenancy. When the regional aspect of rent payments was taken into account the superiority of net incomes per farmer in the delta areas was reduced. Tenancy patterns were extremely complex in the Guangdong countryside before 1949 and no simple theory accounts for all the regional variations. However, there was a definite tendency for tenancy rates to be higher in the delta areas: more capital was available near the large commercial centres to purchase land; proximity to such centres facilitated the disposal of rents in kind or the sale of commodities to pay money rents; legal security was greater here for landlords; and the greater value of output per unit of farmland enabled a higher absolute level of rent per acre to be charged than in more backward areas (though the rate of rent per acre tended not to vary greatly between different parts of the countryside). The greater amount of tenancy and the higher level of rents tended to reduce regional differentials in net incomes below their level without rents being considered.

(ii) 1949-1957.

Compared to 1930-36 there was little change in Guangdong after 1949 in the relative price of different farm products. As in the 1930's it tended to be the case that the non-grain farm products were those that brought in higher net incomes per unit of farmland or per unit of labour time. There is some evidence also that even in the mid-1950's after recovery from the civil war, which must have widened regional price differentials due to its effect on transportation, such differentials still existed: they tended to favour the delta areas near the large urban markets and centres of industrial production.

By the standards of many LDC's the agricultural tax in the early 1950's in Guangdong took a large proportion of agricultural income. However, there is no doubt that this was a much smaller share than had been absorbed

by rents pre-1949, the payment of which had been abolished by the land reform. While the tax was initially applied in a consciously progressive fashion varying in accordance with per capita income (and therefore taking larger amounts from rich than from poor areas), after 1954 in Guangdong it did not increase at all in absolute terms at least for the remainder of the First Five Year Plan. Consequently increments to output were not taxed away to any degree.

It was seen above that in the delta areas prior to 1949 the production structure had tended to be more diversified with a greater proportion of farm resources used to produce high income, non-grain items than in other parts of the province (with the possible exception of some mountainous areas). It was seen also that the price structure had not altered significantly. Had there then been any alteration in the production structure of different areas? It does not appear that a marked change occurred: still during the First Five Year Plan the delta regions tended to have a more differentiated production structure than other areas; therefore, it is likely that they tended to produce a higher net value of output per acre just as they had before 1949.

Two qualifications need to be made to this picture. First, it has been seen already that during the period 1952-7 the main stress in output expansion was placed upon grain production. Through a combination of the grain tax, compulsory purchase quotas for grain, and direct influence via local cadres the delta areas (and probably the mountainous areas also) were pushed throughout most of this period (1957 and the period before the introduction of compulsory purchase quotas being the exception) into growing more grain than they wished at the prevailing structure of farm prices. Second, during collectivisation, because of shortcomings of various kinds (e.g. pricing of and payment for animals taken into collective ownership; excessive restriction on both the private plot and private ownership of small farm animals) sideline production was severely 'squeezed'. It may well be that the delta and mountainous areas where such production was particularly higher-developed may have tended to suffer more than other parts of Guangdong.

A limited amount of data suggest that rural net incomes tended to be higher in the delta areas of Guangdong in the early and mid-1950's than other parts of the province. Much better data from other provinces confirm the existence even after collectivisation of large differences between areas in average per capita rural net incomes: it is the more fertile areas near large urban markets tending to grow more economic crops (analogous to

the delta areas in Guangdong) that tend have had the highest incomes.

The main evidence on spatial differentials in consumption is in respect to the items subject to some form of rationing. Spatial differentials in grain consumption generally fell within a relatively limited range, suggesting tentatively that a system of guaranteed minimum supply may have been working reasonably effectively. Differences did exist, however, in levels of grain consumption. Moreover, marked inequalities existed between regions in the quality of grain eaten: in many poorer parts of Guangdong potatoes formed a major share of peasant grain consumption. Evidence on supply norms for rationed goods such as edible oil and cotton cloth, suggests that they were carefully adjusted to the purchasing power of different areas.

Negligible amounts of data have been located in respect to regional differentials in rural consumption of services and non-rationed goods. In the early 1950's limited data suggest that there were indeed large differentials in the average level of consumption of goods that later remained unrationed and there is no a priori reason to suggest that differentials in the consumption of such goods should not have remained wide in the rest of this period. The small amount of information on health and educational facilities suggests that it was the areas near the large cities that were best-served. These areas were better-served by state facilities and frequently had larger per capita collective funds with which to support such activities after the setting up of APC's.

(c) Overview.

Land reform not only had a large potential impact on relations between one group within the village and another, but also had a regional significance since in the absence of countervailing action it would have tended to work more to the benefit of areas with higher rates of tenancy. Where tenancy had tended to constrain regional income differences land reform threatened to widen them through abolishing tenancy. The progressive agricultural tax helped to prevent the high productivity/high tenancy areas from benefitting fully from the land reform. However, the agricultural tax fell some way short of extracting as high a proportion of output as had been taken by rents. Consequently, it is likely that the high productivity/high tenancy areas, in spite of the agricultural tax increased their net incomes more than other areas in the early 1950's. It is very likely, then, that regional differences in rural net income in Guangdong

widened as a result of the land reform.

The degree to which better-off areas were able to use their surpluses to expand their incomes even further was subject to two main constraints. First, the availability of modern agricultural investment goods still was very limited in Guangdong at this period. Second, through the channels outlined above the higher-productivity areas were prevented from allocating their resources in an income-maximising fashion; instead they were pushed into giving a greater role to the production of grain than they wished. This did not prevent the higher productivity areas (notably those in the delta regions) from tending to earn significantly higher net incomes than other parts, but it prevented them from realising their potential superiority to the full.

State control over the supply of key commodities played a strong role in controlling differentials in grain consumption between areas. However, it was the only rationed good for which some level of minimum supply seems to have been guaranteed regardless of income. For other goods subject to planned supply, state control meant that they were available for purchase up to certain amounts at fixed prices, so that richer areas could not use the market mechanism to 'bid' supplies away from poorer areas. It did not mean a guaranteed supply irrespective of income, so that spatial consumption differences even here could be quite wide.

5. Intra-village inequality

(a) The inherited structure of inequality.

A variety of studies suggest that within Guangdong's villages before 1949, there were significant differences in living standards between various strata. Most obvious was the gap between the livelihood of a small group of landlords and the mass of labouring farmers. However, even among ordinary farmers (and small landlords) some significant differences were observed.

Land ownership clearly formed the basis of the superlative living standard of a small group of relatively well-to-do landlords, many of whom were not even resident in the village. However, among the bulk of villagers the relationship between living standard and 'relations of production' was more complex.

The level of tenancy in Guangdong was high: perhaps one-half or more of all farmland was rented. However, unlike most other provinces here the role of the clan was particularly important in land ownership; they were

said to own well over half of the total amount of rented land, and were especially dominant in land ownership in the Pearl River delta. A critical question, but one which for obvious reasons it is hard to obtain more than anecdotal evidence, is that of the uses to which rental incomes were put from clan land: did they mainly filter back to ordinary peasants through provision of collective services, or did they tend mainly to be appropriated by the clan leaders? The weight of evidence seems to the author to favour the view that only a limited proportion filtered back to ordinary peasants, but it must be stressed that information is very limited. Among peasant farmers it was no means the case that the degree of tenancy was always a good guide to the farmer's position in the village hierarchy of living standards: for example, village studies show many richer peasant farmers in the Pearl River delta rented in most or all of their farmland.

(b) Land reform.

Unlike 'land reform' in many LDC's, the land reform in Guangdong as in most parts of China was thoroughgoing: it swept away the economic foundations both of ^{private} landlords and the clans. Around two-fifths of the province's total arable area was confiscated and re-distributed. After the land reform the villages of Guangdong were left still with definite inequalities in land ownership, but such inequalities were greatly reduced compared to pre-1949 (especially if the concentration in clan hands is taken into account). However, the distribution of draft animals and farm implements naturally was much less affected, and inequalities were more marked here. The income of relatively large landlords undoubtedly was cut drastically by land reform: this was an important, unambiguous result. Smaller landlords may not have had their incomes cut but were forced into fieldwork to survive. The impact on income inequality among the rest of the village population is, on account of the complexity of economic relations in the pre-1949 villages, much less clear-cut.

(c) Land reform to collectivisation.

Land reform was not completed until early 1953 (much later than over most of China). For a brief few months in Spring and Summer an attempt was made in Guangdong to 'stabilise village production relations': in the interests of developing output the farmers were encouraged to 'develop the household and become rich' (fa jia zhi fu) without fear of reprisal from the state. Even in this period, when farmers could legally buy,

sell and rent land, hire labour and speculate on the market, there were widespread fears in the villages that the gains from such activity would be confiscated in a 'second land reform'.

From the Autumn of 1953 onwards the mood changed with the launching of a nationwide campaign called 'the general line on the transition to socialism' which made it clear to all that the CCP intended to move forward swiftly to establish a 'socialist' society. From then through to the summer of 1955 a series of steps were taken in Guangdong which greatly extended the position of 'socialist' socio-economic relations in the villages.

There were at least three important aspects to this process. First, the CCP and its allied organisations (notably the Communist Youth League and the People's Militia) progressively penetrated village politics, restricting the possible development of a new ruling stratum based on superior economic strength. Second, the CCP used its position to push forward with the organisation of co-operative agriculture: the proportion of peasant households in the province in MATs (based on private ownership) rose from 13 per cent in mid-1952 to 44 per cent in mid-1954, and the proportion in APC's (based on collective ownership) rose from only 0.4 per cent in mid-1954 to 7 per cent in mid-1955. On the eve of collectivisation, fully half of the farmers in the province had direct experience of co-operative agriculture in one form or another. Moreover, in the great forward thrust of organisation each winter there was a general tendency towards 'leftism' from local cadres, manifested particularly in excessive use of 'administrative methods' to increase membership. Each summer the campaign was suspended and the excesses of the previous winter criticised. The effect of 'leftism' in organisation of co-operative agriculture increased the fear of better-off peasants about 'expanding the household and becoming rich'. Renting of land, usury, and hiring labour were not made illegal, and did revive, but the prevailing atmosphere in village politics, combined with a less unequal distribution of income reduced their extent compared to the pre-1949 villages of Guangdong.

The third element in the 'socialisation' of village political economy was the conditions of marketing farm produce. The progressive agricultural tax took a larger amount of gross income from richer farmers and it increased absolutely up to 1954. The compulsory grain purchases (together with the tax) tended to push not only richer areas but also the richer stratum in a given area to grow more grain than they wished. This did not prevent income differentiation in the post land

reform villages of Guangdong, but it tended to restrict the extent of such differentiation.

Data on intra-village income differences at this period are limited for Guangdong. However, they show clearly that prior to collectivisation some important differences still existed in the average per capita incomes of different groups within the village. Fortunately, some excellent national data are available. They suggest a picture similar to the one that one would imagine for Guangdong from the above discussion. They confirm the existence prior to collectivisation of significant inequalities between different village strata in land ownership and especially in other pieces of farm capital, and in income per capita. However, these data also show that the trend in village differentiation was towards 'middle-peasantisation', rather than 'polarisation': they suggest that the development of the 'rich peasant economy' was constrained by the factors outlined above.

(d) Collectivisation.

In mid-1955 only 7 per cent of Guangdong peasant households had joined lower-stage APC's (collective ownership with part of income distributed according to land dividends). By the end of 1956 virtually all peasant households had joined fully 'socialist' higher-stage APC's (in which land dividends were abolished). The impact of collectivisation on intra-village income inequality was less clear-cut than that of land reform. It was affected by a number of considerations.

The first consideration was the valuation of means of production brought into the collective. The rapid transition to higher-stage APC's with the accompanying abolition of land dividends meant that for most farmland no compensation was paid to the owners. A 'fair' price was supposed (according to APC rules) to have been paid for collectivisation of other means of production. In fact, there was a widely reported tendency to undervaluation of such assets and to delays in payment both by arranging for payment to be in installment form over many years and by failing to keep up installment payments when due.

A second consideration is the extent of asset absorption into the APC's. The APC rules provided for a significant private sector in the shape of private plots and extensive private ownership of small farm animals (e.g. pigs and poultry). In fact, in the flush of enthusiasm in the formation of APC's the private sector in Guangdong was greatly restricted.

In 1956-7 this was rectified with extensive return of such means of production to private hands. As already noted, output in these sectors increased sharply in 1957 after a poor performance in 1955-6 (involving an outright decline in several cases, notably pigs).

The third consideration is the share fund contribution. In the formation of the APC's strong discrimination was shown against 'former landlords' and 'rich peasants'. The share fund contributions was a way of effectively ensuring that no payments at all were made to these groups for means of production that they brought into the APC's since it was permitted in APC rules for the value of their assets simply to be credited to ^{the} APC share fund.

A fourth issue was the method of allocating collective income available for consumption by APC members. Even at this early stage part of collective income was allocated 'according to need'. 'Five guarantee' households were supposed to receive a minimum of support from the collective welfare fund, but the system was not put into practice effectively in many parts of the province. Further, it did not seem to be uncommon for a portion of grain to be distributed 'according to need', giving some minimum guarantee of food consumption to the poorest irrespective of their earnings. The major share of distributed income was allocated 'according to labour'. There is strong evidence that in the first year of collective agriculture (1955-6) the complexity of APC administration plus the atmosphere of 'class struggle' surrounding the formation of the APC's led to a downgrading of the skill factor in distribution. In 1956-7 a more sophisticated method of distribution began to be adopted with greater recognition given to the 'skill' factor in collective income distribution. It is to the latter period that contemporary (1979-1980) articles often refer as the period when the principle 'income according to work' was most effectively put into practice under collective agriculture.

There are good data on many aspects of income differentiation within Guangdong's APC's after collectivisation, but at certain points it was found necessary to supplement these with data from other South China provinces, and even from the national level. What do the data show?

First they reveal that a hard core of poverty still existed after collectivisation, due to the adverse worker-dependent ratios of the households concerned. Distribution 'according to need' was rudimentary. At the best it provided only a very low minimum level, and in many places operated ineffectively.

Second, the principles of collective income distribution ('according

to labour') ensured that important differentials between the average per capita incomes of families existed in the APC's. Differences arose simply on account of differences between households' worker/dependent ratios (which changed over the course of the family cycle). Such inequalities were exacerbated when the 'skill' factor was given more play in 1957 and collective earnings per worker probably widened.

Third, the relationship of the post-collectivisation income inequality to that of pre-collectivisation was complex. Moreover, it was different in 1955-6 from 1956-7 when major adjustments occurred in the collective structure. Many formerly better-off peasants remained at the top of the village income hierarchy after collectivisation due to superior worker/dependent ratios. In 1955-6 some better-off peasants suffered a relative decline in income due to the way in which their means of production were taken into the APC's and due to the restriction on sideline production from which they tended to earn relatively high incomes. Many of the better-off peasants who had suffered a relative decline in 1955-6 improved their position again in 1956-7 with the expansion of private sideline production and greater emphasis on skill as a factor in remuneration from the collective.

(e) Overview.

Land reform had an important and unambiguous effect in reducing the incomes of the richest group in the villages. However, it left the villages still with unequal ownership of the means of production and incomes. The period from land reform to collectivisation was characterised by policies that tended to restrict the degree to which richer households expanded their economic position: the hypothesis that collectivisation was a response to rapidly-developing 'polarisation' in the villages is hard to sustain. Collectivisation laid cautious first steps to establishing a minimum level of consumption below which no-one in the village could sink. However, it is by no means certain that income inequality was in any significant sense reduced because of collectivisation, though it certainly did result in some alteration in those who occupied the different positions in the village income structure. The need to stimulate peasants in collective work permitted differences in earnings per worker from the collective: the unequal balance of workers to dependents allied to this to produce some important differences in average per capita from the collective sector. Capacity to earn income from the private sector was

unequally distributed (due to skill differences as well as differences in capital) between village strata and its expansion in 1956-7 tended to enable those who already earned a higher per capita income from the collective sector to further improve their position.

2. Rural income in long-run perspective.

The problems surrounding the different aspects of rural income did not disappear at the end of the First Five Year Plan. Quite the reverse. Throughout the period from the late 1950's to the late 1970's each of the aspects explored in this thesis remained at the centre of political economy in Guangdong, as across the whole of China. The big difference with the First Five Year Plan period is the paucity of hard information. Even with the limited array of data and qualitative information some outlines of the problems can be indicated. Information of a much firmer kind has begun to be published again since the death of Mao and arrest of the 'Gang of Four' in 1976. However, it is likely that substantial gaps will always remain in the information needed to provide a clear interpretation of the period from the late 1950's to late 1970's.

(a) Changes in the average level of rural income.

It used often to be argued that some important economic conditions in the 1960's and 1970's had assisted the growth of rural incomes in the Chinese countryside. Among the relevant factors are the following. First, the balance in the structure of industrial output was altered sharply after 1960: throughout the 1960's and 1970's the growth in supply of 'modern' inputs to agriculture has been rapid,⁽¹⁾ whereas in the 1950's the main reliance had been placed on 'traditional' labour-intensive methods of raising farm output. Second, it has been noted that the agricultural tax has remained fixed in absolute amount since the early 1950's, so that it has constituted a declining share of total farm output as production has increased.⁽²⁾ Third, the terms of trade between agricultural and industrial commodities have continued to move in favour of the former in the 1960's and 1970's.⁽³⁾ Fourth, it is pointed out that the production of certain consumer goods has risen markedly since the late 1950's⁽⁴⁾ and assumed that a substantial portion of these went to

the countryside. Fifth, it is noted that particular stress was placed during the Cultural Revolution on attempting to raise the level of health and education in the rural areas.

However, an optimistic perspective on changes in rural income levels has to be set against a number of considerations. In the first place, population growth has continued at a high level until the 1970's. From the early 1950's through at least until the mid-1960's it is likely that Guangdong's population was growing at about 2.3-2.4 per cent per annum (compound), and it is only in the 1970's that there is evidence of the annual growth rate (compound) falling significantly below two per cent (1.4 per cent from 1976 to 1979, 1.8 per cent from 1966 to 1976).⁽⁵⁾ Thus, until very recently, increments to farm output have been heavily eroded by increments to population.

A second consideration is the performance of farm output. A combination of factors (bad weather, an erroneous assessment of the potentialities for increasing farm output through traditional means, and excessive utopianism in the institutional transformation in the countryside during the Great Leap Forward of 1958-9) led to a disastrous collapse of output in Guangdong in the late 1950's. The level of output in 1960 as a proportion of the 1957 level was:-

gross value of agricultural output	= 84%
(at 1970 prices)	
Output of: (1) grain	= 80%
(2) sugarcane	= 75%
(3) peanuts	= 55%
Stocks of: (1) pigs	= 59%
(2) draft oxen	= 84%

Source: Tables 2.1-2.2

The resulting compression of rural living standards in Guangdong must have been severe.

From the early-through to the mid-1960's output recovered rapidly and had well-surpassed the 1957 level of total farm output in most sectors by 1966. One should, of course, be wary of making long-run comparisons against 1966 as it is possible that this was a particularly good year in Guangdong.⁽⁶⁾ Even with this in mind, the difficulty that Guangdong has had in raising the level of farm output come across clearly. The cultivated area throughout the 1960's and 1970's has been lower than it was even during the First Five Year Plan (see Table 2.1). Even increases in the sown area have been limited by comparison with the 1950's: from 1952 to 1957 the total sown area in the province rose by almost 15 per cent;

two decades later the sown area stood only about four per cent higher (Table 2.1).

In spite of the large increase in modern inputs, the growth of yields since the mid-1960's in Guangdong has been limited: output of grain per unit of sown area in 1976-8 was only 10 per cent above the 1966 level (though almost 60 per cent higher than in 1957); output of peanut per unit of sown area in the late 1970's was only 12 per cent above the 1966 level; output per unit of sown area of sugarcane, the principal economic crop in the province was only 17 per cent higher than in 1966, but stood at only 90 per cent of the 1957 level (from Table 2.1). The stagnation in yields since the mid-1960's is especially important in view of the apparent limitations on sown area. In the First Five Year Plan period there was not a striking increase in yields (even some decline over the five years for sugarcane and peanuts) but a reasonable growth of output was possible due to a relatively large expansion of the total sown area (see Table 2.1).

As a result of these problems the increase in farm output, especially since the mid-1960's, has only slightly exceeded the growth of population in Guangdong. Output of grain per rural dweller in 1976-8 was only six to seven per cent higher than in 1966 and 1957, and output of peanuts per rural dweller increased only by 5 per cent over the period 1966 to 1976-8 (see Table 2.4). The gross value of agricultural output (at 1970 prices) per rural dweller was only four per cent higher than in 1966, and thirteen per cent above the 1957 level (see Table 2.4). Per capita output of some items did, however, grow more rapidly in Guangdong between 1966 and 1976-8: output of sugarcane per rural inhabitant rose by 30 per cent, and pig stocks per rural inhabitant by 29 per cent (see Table 2.4).

A third qualification to the optimistic picture of rural living standards is the fragmentary evidence suggesting a decline in the value of the labour day. Between 1957 and 1977 the value of the labour day is said to have fallen nationally by around one-third.⁽⁷⁾ There is evidence that in the fertile central part of Guangdong the value of the labour day rose up to the late 1960's as the application of 'modern' inputs expanded and then began to decline.⁽⁸⁾ There is, then, a distinct possibility that in parts of Guangdong the rate of pay for a day's collective labour has declined in recent years as diminishing returns have affected the extra number of labour days put in per farm worker.

As already noted (see footnotes to table 2.2) data on gross value

of farm output are of limited use; it is net income that is important from the point of view of peasant living standards. The heavy rural investment programme in the 1960's and 1970's has been financed primarily out of savings from inside the farm sector, with only a limited amount of assistance from the state.⁽⁹⁾ It is quite conceivable that this has tended to depress the share of net income in total farm income.

In the absence of direct evidence on rural living standards in Guangdong (as indeed across the whole of China) it is hard to reach firm conclusions. However, severity of the downturn in output in the aftermath of the Great Leap clearly resulted in a sharp fall in average real incomes in the countryside. After the rapid recovery in the early 1960's, the output data suggest that the scope for increases in rural real incomes may have been quite limited. Insofar as an increase did occur it may have been due mainly to a shift in the terms of trade in favour of farm products.⁽¹⁰⁾ The main areas of increase in consumption may have been industrial consumer goods unrelated to farm output (e.g. bicycles, sewing machines), the consumption of which was at a negligible level in the 1950's, and collective goods (e.g. health, and education), the consumption of which also was at a low level in the 1950's.

(b) Urban-rural inequality.

It was suggested in Chapter 3 that there was an underlying consistency within the Chinese leadership in respect to the urban-rural 'gap' in living standards, in that the appropriate way to close the gap was seen to be a raising of rural levels to meet urban levels rather than lowering urban levels and redistributing to rural dwellers. However, this is not inconsistent with considerable dispute about the appropriate pace and methods with which to attain what all have agreed is a desirable long-run goal, namely elimination of the urban-rural gap.

A crucial turning-point in the approach to the issue was the 'Hundred Flowers' campaign of 1957. From then through to the death of Mao in 1976, in varying degrees (depending on the changing balance of political forces in the CCP) a greater emphasis was placed on controlling the urban-rural differential in living standards than had been the case during the First Five Year Plan. In the years since the death of Mao the pendulum appears to have swung back firmly to the position of the pre-1958 period. The flavour of current views is well-expressed by the leading economic theoretician Xue Mu-qiao:

'To-day [1979] the wages of industrial workers still are very low, and in the future they will greatly increase, so that for a long time to come the living standard of the peasantry will not be able to overtake that of the industrial workers.'⁽¹¹⁾ (My stress - P.H.N.).

The reasons for the change of approach after 1957 are partly political and partly more narrowly economic. On the political side, Mao had become increasingly disenchanted with the traditional Marxist-Leninist view of the peasantry⁽¹²⁾ which had helped to influence attitudes towards urban-rural differentiation during the First Five Year Plan period. Furthermore, the force of peasant protest in 1957 over the gap in living standards between town and countryside probably shocked many in the CCP leadership. Combined with this were the objective difficulties caused by extensive in-migration from rural to urban areas. The inflow during the First Five Year Plan period caused worries but the deluge of in-migration in 1958 (see Chapter 3) greatly exacerbated them.

Data for wages of staff and workers after 1957 through to the late 1970's are fragmentary, but there is little doubt that a severe constraint was placed on the growth of wage levels in state enterprises over a twenty year period. It has been suggested that by 1971 average annual money wages of staff and workers were only marginally higher than in 1957 (650 yuan as against 637 yuan).⁽¹³⁾ There is some evidence that a wage reform of 1972 increased the average annual level of wages of staff and workers by around ten per cent to 715 yuan,⁽¹⁴⁾ but recent data give a figure of only 602 yuan (i.e. slightly below even the 1957 figure) for 1977.⁽¹⁵⁾ At best, then, the money wages of staff and workers rose by about ten per cent and at worst fell by about five per cent from 1957 through to the mid-1970's. Retail prices of major items of consumption have changed little in the cities since the mid-1950's, and insofar as they have changed may have fallen slightly.⁽¹⁶⁾ Consequently, real wages of staff and workers may have increased by a small amount despite the stagnation or small fall in money wages. There was pressure at the height of the Cultural Revolution in 1966-8 to abolish completely the system of supplementary payments. However, this does not seem to have happened,⁽¹⁷⁾ and certainly by the early 1970's they seem to have been in existence at levels at least as high as those of the 1950's.⁽¹⁸⁾ It seems then, that in marked contrast to the First Five Year Plan period, from 1957 through to the mid-1970's there was little change in the average level of real earnings per worker in the state sector.

On the rural side, it has been seen that in spite of considerable efforts to increase output, it is unlikely that a large increase took place in average living standards from 1957 to the mid-1970's. Consequently, the 'Maoist' period probably witnessed a stabilising rather than a significant reduction in the urban-rural differential in living standards. Even in health and education, where it might be expected that the most impressive narrowing of the gap would have occurred, the differences in the late 1970's still were large. It is admitted to-day that 'after years of effort, the rural areas are still lagging far behind the cities in respect to sanitary conditions and medical attention':⁽¹⁹⁾ in 1979 there still were 660 people per hospital bed in the rural areas compared to 250 in the urban areas.⁽²⁰⁾ It is likely that Xue Mu-qiao's recent (1980) assessment of the urban-rural gap in living standards is in the broadest terms, an accurate reflection of the true situation:

'Twenty years or so ago, the gap between the living standard of industrial workers [gong-ren] and peasants [nong-min] was approximately 100 per cent, and this differential has not basically changed over the long-term. In areas where output has advanced relatively quickly the differential has narrowed a bit, and in areas where it has advanced slowly it has widened a bit. To-day, due to the relatively low labour remuneration of the peasants in the majority of areas and brigades and teams, the differential between industrial workers and peasants is still 100 per cent or more, and in some areas is even 200 or 300 per cent.'⁽²¹⁾ /My stress - P.H.N./

The gap in living standards between town and countryside clearly is as important an issue in China's political economy in the late 1970's as it was in the late 1950's.

(c) Spatial differentials.

The important spatial differentials in rural income in Guangdong that were observed in the 1952-7 period have been affected in the years since then both by institutional and technical change. The institutional change - the formation and modification of the rural people's communes - affected local spatial differentials powerfully while the impact of the technical change has been more important in its impact upon broad regional inequalities.

(i) Local differentials

The great importance of local spatial income differences was brought home with force to the Chinese leadership in the nationwide mass movement of 1958-9 to amalgamate the APC's into massive rural people's communes: in Guangdong the 25,450 APC's that had existed on the eve of communisation were amalgamated into only 790 communes.⁽²²⁾ After some reorganisation in 1959 they had increased to 1,106, each containing around 30,000 peasants.⁽²³⁾ In 1958 and 1959 the basic unit of ownership, work organisation and income distribution became the commune itself rather than a subsidiary unit. The communes emerged out of two inter-related considerations: first, the belief that in the absence of large-scale supplies of modern inputs, the larger collective (commune as opposed to APC) could keep up the agricultural growth rate by even greater 'mobilisation' of rural labour; second, the belief by Mao and his supporters in 1958 that China was capable of moving forward rapidly to a fully 'communist' (rather than 'socialist') system of social relations.

The effect of communisation on local spatial differentials was direct and dramatic, equalising the value of the labour day between constituent APC's among which its value had previously differed considerably. In Humen commune (in Dong Guan xian) in Guangdong, for example, the value of the labour day in the 82 constituent APC's varied from only 0.30 yuan to 1.30 yuan.⁽²⁴⁾ The discontent among richer units as well as the impact on work incentives was considerable. Consequently, the CCP was forced into a series of 'retreats' in the commune structure between 1959 and 1962, ending with the Revised Sixty Articles on Agriculture (September 1962). In these the 'production team' (generally smaller even than the former higher-stage APC)⁽²⁵⁾ became the basic unit of ownership, work organisation and income distribution in agriculture, with a limited range of (mainly non-agricultural) collective economic activities carried out at higher levels (brigade and commune).

The link between the 'retreat' to the production team as the basic accounting unit and local spatial income differentials was recognised quite openly:

'The differences in the level of livelihood between commune and commune, production brigade and production brigade, and between production team and production team, which result from carrying out this principle of distribution are fair under present conditions ... The differences which are produced by different production conditions cannot be avoided at the present time and must be acknowledged.'⁽²⁶⁾

Once again, as in the APC's, the major part of 'differential rent' produced due to soil or locational advantages was to remain in the hands of the small collective unit, in order to stimulate the 'production enthusiasm' of the collective producers.⁽²⁷⁾

The fundamental structure of the communes with the production team as the basic accounting unit has remained unchanged from 1962 to the present, though always with the declared ultimate goal of making a transition to brigade- and commune-level accounting when conditions were ripe. Considerable unease was felt by the 'radicals' during the Cultural Revolution about the retention by the production teams of the major share of 'differential rent'. A central point of dispute in rural policy between 1966 and 1976 was the measures used by the 'radicals' to attempt to reduce local spatial income differentials. These measures varied from giving loans to poorer units from the profits of brigade and commune enterprises (which in many areas grew rapidly in the 1960's and 1970's) to equalising incomes by forcibly amalgamating production teams (the so-called 'poor transition').

Only a limited amount of hard information is available on local differentials after 1957 so it is virtually impossible to assess the degree to which such income inequalities altered during the Cultural Revolution. However, recent data do reveal that still in the late 1970's the range of local spatial income inequalities could be wide. Nan Hai xian, for example, is in the heart of the rich Pearl River delta. Its average per capita distributed income in 1979 was 240 yuan (see Table 6.3), but at one extreme 79 production teams had an average per capita distributed income of more than 400 yuan, and at the other 45 had below 100 yuan.⁽²⁸⁾ In Fo Gang xian (also in Guangdong) in 1978 in Tang Tang people's commune the average per capita distributed income was 84 yuan: out of a total of 17 production brigades the highest had an average per capita distributed income of 128 yuan, and the lowest 69 yuan.⁽²⁹⁾ In the Xin Tang production brigade of the same commune the frequency distribution of the component teams was:-

Average per capita distributed income of production teams in Xin Tang brigade in 1978. Unit: yuan.

<u>Income level.</u>	<u>No. of Teams.</u>
<30 (lowest = 22)	2
30 - 50	2
51 - 70	7
71 - 90	6
91 - 110 (highest = 109)	2

(ii) Broad regional differences.

The collapse of farm production in the late 1960's led to a serious re-thinking of China's development strategy, and a rapid growth in the supply of modern inputs in the 1960's and 1970's (see Footnote (1)). The potential importance of these new inputs for the pattern of broad spatial productivity and income differentials observed in the 1950's was great.

At the centre of the agricultural strategy of the 1960's and 1970's was the attempt to develop throughout China a series of 'stable- and high yield areas'. As early as 1959 the Guangdong Provincial CCP Committee decided to give priority to the Pearl River Delta in the allocation of modern inputs so that it might become such an area.⁽³⁰⁾ A smaller district of emphasis was the Chao Shan Plain around Shan Tou in the east of the province. As early as 1966 the Fo Shan S.D. (in the Pearl River delta) had more than 1,200 standard tractors, and more than 40 per cent of the arable area was cultivated mechanically.⁽³¹⁾ In the early 1970's communes in the suburbs of Guangzhou were using over 100 jin (gross weight) of chemical fertilisers per mou compared to the national average of 24 jin.⁽³²⁾ By the late 1960's/early 1970's the Pearl River delta and the Chao Shan plain had become established as 'high and stable yield' paddy rice areas.⁽³³⁾ Grain yields in the Pearl River delta area in the late 1970's, as in the mid-1950's, still were considerably above the provincial average (see Table 6.1). At the other end of the scale, on Hainan Island in the West of the province, it was reported in 1979 not only that grain yields were well below the provincial average, but also that output per mou of peanut and sugar cane was less than half the provincial average.⁽³⁴⁾

What was the logic that led to the tendency to concentrate a relatively large share of the new inputs in the delta areas of Guangdong in the 1960's and 1970's? At least three factors may have been relevant. First, the delta areas already in the 1950's had a relatively high level of food consumption; consequently it might be expected that they would be more prepared to market (rather than eat) increments to output. These areas also were close to the main centres of urban population and to the transport routes out of the province so that marketing costs would be lower.⁽³⁵⁾ Second, it is possible that it was hoped to maximise the growth rate of farm output by concentrating inputs here. The level of farmers' skill and education may have been higher; there may have been easier access to research institutes and industrial enterprises (especially important in setting up factories to produce farm inputs outside the

Table 6.1 - Annual grain output per mou in Guangdong province, 1978

(Unit: jin)

All Guangdong ⁽¹⁾	870
Hainan Administrative Area ⁽²⁾	700(+)
Shao Guan District ⁽³⁾ (di qu)	900(+)
of which: Fo Gang xian ⁽⁴⁾	864
Pearl River Delta (27 xians) ^{(4)(a)}	900-1000
of which: (1) Nan Hai xian ⁽⁵⁾	1200(+) (paddy rice only)
in which: high-output production brigade ⁽⁵⁾	1700(+) (paddy rice only)
(2) Fo Shan municipality suburban area ⁽⁶⁾	1715 (1979)

Sources: (1) Table 2.1

(2) NFRB, 19th June 1980 (output per mou said to be '150 jin below the provincial average')

(3) NFRB, 6th March 1980

(4) Trip notes, Queen Elizabeth House, Oxford, China Study Group, June 1979.

(5) NFRB, 28th February 1980

(6) NFRB, 5th July 1980

Notes: (a) This is a considerably larger area than is usually defined as the 'Pearl River Delta'.

main urban centres); there may also have been gains from greater concentration of farmland, and an already high level of irrigation. Increments to output per unit of capital may as a result have been higher in the delta areas than in other parts of the province.⁽³⁶⁾ The third factor in the allocation decision may have been the larger surpluses available in the richer areas for the purchase of the new inputs. Reinforcing this consideration is the limited degree to which the state has been able to finance rural investment, so that main reliance has been placed on the generation of investment funds from within the farm sector.⁽³⁷⁾

In the 1960's and 1970's as in the 1950's the price structure has favoured the production of non-grain items over grain. In 1978, for example, the state quota price for grain was only 9.80 yuan per jin, compared to 64.80 yuan for pigs and 83.0 yuan for edible oil.⁽³⁸⁾ Scattered evidence confirms that income per unit of farmland still is much higher for most non-grain farm products.⁽³⁹⁾ There is little doubt that from the mid-1960's to mid-1970's many areas were pushed by the state into growing more grain than they wished: out of a total increase of 9.3 million mou in the province's sown area from 1966 to 1976, no less than 8.5 million was devoted to grain (Table 2.1). However, in the early 1960's when state control was relaxed the expansion of non-grain production was extremely fast (in 1966 the sown area devoted to non-grain crops was 26.9 million mou compared to only 15.1 million in 1957) so that still in the mid-1970's the proportion of total sown area devoted to non-grain production was much higher than in the 1950's: 24.5 per cent in 1976, as compared to only 14.2 per cent in 1957. In the absence of evidence of a marked shift in the regional structure of production⁽⁴⁰⁾ it is probable that the main beneficiaries of the overall increase in the non-grain side of farm production since 1957, and the main losers through the constraints placed on non-grain production from 1966 to 1976, have been the richer delta areas.

It seems quite likely that the tendency to concentrate the new inputs— in the already high-yielding areas at least maintained and may even have increased regional differences in output per acre. In the absence of a marked shift between regions in production structure, in rural population,⁽⁴¹⁾ or in price structure, it is likely that the regional differences in the gross value of farm output per person were at least as wide at the end of the 1970's as at the end of the 1950's. It is possible that net income differences, however, may have been somewhat less, the two main channels through which such inequalities could have been reduced were the rate of investment and the level of taxation.

It has been suggested frequently since 1976 that China 'over-invested' during the Cultural Revolution decade. It is possible that by pushing advanced units into very high rates of investment the income available for consumption in them was limited (though, of course, this policy laid the basis for even greater future income differences). There may be some truth in this argument but it is interesting that even in the national model Da Zhai production brigade, (in Shanxi province), which sustained a high and rising investment rate, average per capita net income in 1971 was 45 per cent higher than in 1964, and 143 per cent above the 1957 level.⁽⁴²⁾ Moreover, it is unlikely that controls over the balance between consumption and investment would be so strong in non-model units.

The use of taxation as a redistributive weapon in the countryside ^{been} has consistently eschewed since the 1950's, despite indications to the contrary in the 1958 agricultural tax regulations.⁽⁴³⁾ It has been stated repeatedly that the tax burden of collective units has remained absolutely fixed (in physical terms) in the 1960's and 1970's, so that as output has expanded for a particular unit, so its tax burden has fallen: the faster the rate of growth in a particular unit, the more rapid the decline in the rate of agricultural tax.⁽⁴⁴⁾

It is impossible to make accurate comparisons in the dimensions of broad spatial income inequalities in Guangdong in the 1960's and 1970's compared to the 1950's. However, Table 6.2 suggests strongly that even at the end of the Cultural Revolution period, spatial differentials still were important: at one extreme 17.2 per cent of production teams had below 40 yuan average per capita distributed income from the team, and at the other, almost 12 per cent had above 100 yuan. A detailed national survey noted that in Guangdong, as in other parts of China, the 'hard-up' xians in 1978 (those with an average per capita distributed income of less than 50 yuan) were spatially concentrated.⁽⁴⁵⁾ There is little doubt that a relatively large number of high-income units in Guangdong still are concentrated in the Pearl River delta (and to a lesser degree in the Han River delta). Table 6.3 tentatively confirms this, showing the delta and suburban areas with distributed income levels much above the provincial average, while the mountainous areas (Lian Shan and Zi Jin xians) have income levels much below the provincial average. Rusticated youth interviewed in Hong Kong after they had fled China in the early 1970's revealed a sophisticated grasp of rural income differences: Shun De, Fan Yu, and Nan Hai xians (all in the Pearl River delta) were considered to be relatively rich ; Hainan Island and Northern Guangdong were regarded as relatively poor.⁽⁴⁶⁾

Table 6.2 Average per capita distributed income in production teams Guangdong province, 1975, 1977, and 1978

Average per capita distributed income (yuan)	1975		1977		1978	
	No. of production teams (a)	Proportion of total (%)	No. of production teams (a)	Proportion of total (%)	No. of production teams (a)	Proportion of total (%)
40 yuan and less	29.32	100.0	29.52	100.0	29.71	100.0
41-50 yuan	5.02	17.2	4.41	14.9	5.54	18.7
51-100 yuan	4.96	16.9	4.05	13.7	4.33	14.6
101-150 yuan	15.83	54.0	15.83	53.7	15.06	50.7
151 yuan and above	2.79	9.5	3.87	13.1	3.30	11.1
	0.72	2.4	1.36	4.6	1.48	4.9

Source: Written data given to Queen Elizabeth House, Oxford, China Study Group, June 1979

Note: (a) Number surveyed, not total number in province.

Table 6.3 Average per capita distributed income in Guangdong province,
1978-9 (Unit: yuan)

Area	Year	Yuan	Index(for 1979)
All Guangdong ¹	1978	79	
	1979	95	100
Pearl River Delta:-			
(i) Fo Shan D.Q., four xians ²	1979	>200	>211
of which:-			
Nan Hai xian ³	1978	186	
	1979	240	253
(ii) Fo Shan municipality, suburban area ⁴	1979	280(+)	295
Northern area:-			
(i) Shao Guan municipality, suburban area ⁵	1978	123	
	1979	140	147
(ii) Fo Gang xian ⁶	1978	82	
(iii) Lian Shan xian ^{7(a)}	1978	58	
	1979	70	74
Eastern area:-			
Zi Jin xian ⁸	1979	51	54

- Sources: ¹ NFRB, 27th Feb. 1980
² NFRB, 11th Feb. 1980
³ NFRB, 20th Feb. 1980
⁴ NFRB, 5th July 1980
⁵ NFRB, 24th June 1980
⁶ Trip Notes, Queen Elizabeth House, Oxford, China Study Group, June 1979.
⁷ NFRB, 21st Feb. 1980
⁸ NFRB, 24th May 1980

Note: (a) 'Average income' (ping-jun shou-ru): this figure may include private sideline income, or it could be a figure for total income rather than distributed income.

While it is likely that in the 1960's and 1970's as in the 1950's, state controls over the purchase and sale of key commodities (notably grain) may have helped to moderate spatial differences in consumption, it is clear that regional difference in rural income and living standards remains an important issue in China's political economy.

(d) Intra-village inequalities

There are even less data on income distribution within Guangdong's villages since the late 1950's than for other aspects of rural income. The issues affecting it, however, have been a constant source of dispute, with considerable fluctuation in policy as the political pendulum has moved from one side to another. The principal issues under dispute have been threefold: first, the balance between the collective and the private sectors; second, the balance between 'income according to work' and 'income according to need' in the allocation of collective income available for consumption; third, the method by which income distributed 'according to work' should be allocated.

(i) Collective versus private sector.

In the flush of utopian enthusiasm that accompanied the Great Leap Forward the private sector was virtually eliminated. The effect on the output of certain farm products was disastrous: for example, in Guangdong pig numbers (which had slumped also during collectivisation when taken too extensively into collective ownership) fell by 1960 to only 59 per cent of their 1957 level (see Table 2.1). From late 1960 the private sector was legally restored: private plots were formally limited to five to seven per cent of the arable area,⁽⁴⁷⁾ and private income was not to exceed 20 per cent of total household income.⁽⁴⁸⁾ In reality it is likely that the private sector was permitted to expand considerably further than these legal limits. During the Cultural Revolution the position was reversed. Still the legal status of the private sector was ensured, and lip-service paid to its necessary role in certain sectors of rural economic life. However, it was viewed with deep misgiving by the 'radicals' who regarded it as a 'soil for nurturing capitalism':⁽⁴⁹⁾ the appropriate policy was to 'manage it well and lead it strongly under conditions in which the collective economy has absolute superiority' so as to 'increasingly restrict' its scope.⁽⁵⁰⁾ In certain areas and at certain times during

the decade of the Cultural Revolution the private sector may have been 'restricted' almost as much as during the Great Leap. However, in general it seems that it existed on a more substantial basis than in 1958-9, though in a uncertain atmosphere and at a lower level than in the early 1960's. Since the fall of the 'Gang of Four' the position has altered and a much more positive attitude to the private sector has been adopted.

The evidence of the 1950's suggested strongly that an increase in private sector activity tended to benefit more (in terms of per capita income) those who already were relatively well-to-do in the village, since they possessed more skill, labour and capital than other peasants. However, it is likely (see below) that the degree of intra-generational mobility in per capita income from the collective is considerable, and correspondingly the capacity to earn private sideline income may vary over time also for a given household. It is possible also that in highly mechanised areas the attractiveness of private economic activity for adult male workers may have declined as the relative earnings from the collective economy have increased, thereby altering the contribution of private income to income differences within the village.

(ii) Income 'according to work' versus income 'according to need'.

Throughout the post-1949 period the principle rule for income distribution in state and collective enterprises has been the 'socialist' one of 'to each according to their work', i.e. remuneration according to strength, skill, labour attendance etc. The one major exception to this was the brief flirtation with the 'communist' rule of distribution during the Great Leap Forward. A system of predominantly free supply (i.e. distribution 'according to need') was widely adopted in Guangdong's communes in 1958. It was asserted at the time:

'The new system [of distribution] can better eliminate the factors that cause inequality between rich and poor, and ensure prosperity and all getting rich together ... [it] can pull out the "roots of poverty".' (51)

At a minimum all grain consumption was supplied 'according to need' (coming to perhaps 50 per cent of distributed income); sometimes all food was 'according to need', (amounting to perhaps 60 per cent of distributed income), and frequently all essential wants were supplied 'according to need' (coming to as much as 80 per cent of distributed income). (52)

Without a sharp rise in average incomes such a system was bound to bring a fall in the income of formerly better-off peasants. Moreover, to break the close connection between work accomplished and remuneration was only realistic if an alternative work motivation was established; it was quickly realised that this was not the case. By 1960 a rapid reversal had occurred. As in the APC's it was recognised that part of distributed income should be 'according to need', but it was officially recommended that this should only take up thirty per cent of total distributed income.⁽⁵³⁾ The main item to be distributed 'according to need' was grain. Indeed this principle has remained unchanged throughout the 1960's and 1970's with the major part of grain consumption distributed as a 'basic grain ration' (ji-ben kou-liang) in accordance with the age of family members, and only a minor part in accordance with work points.⁽⁵⁴⁾ Since 1976 it has been argued that during the Cultural Revolution the proportion of grain distributed 'according to need' frequently was pushed too high, with adverse effects on the 'production enthusiasm' of stronger, more skilled team members. However, while the appropriate ratios have been modified there does not as yet appear to be any questioning of the important principle that a substantial part of grain distribution should be as a 'basic grain ration'.

(iii) Method of work point allocation.

Considerable struggle has developed around the method by which collective income distributed 'according to work' should be allocated. The methods of remuneration adopted have been varied and the arguments complex, but certain outlines may be briefly indicated. Two principal types of system have been in use to decide allocations of work points: the time rate and the work norm. During periods when 'radical' politics have predominated the time rate has been more important and vice versa when 'conservative' politics have been dominant.

Under the time rate system the worker receives a grade which he/she is credited with for each days' work performance. Some long-term check on work effort exists in the form of a periodic re-assessment of the grade (at a minimum, annually, but frequently seasonally or even monthly). In theory the main criteria deciding the work point allocation are the skill and strength of the worker. In practice it is now argued more nebulous criteria like 'work attitude' often played an important role

during the Cultural Revolution. By no means all units even during the Cultural Revolution operated solely with a time rate system, but the widespread campaign to 'study Dazhai' undoubtedly greatly increased its importance. At the core of the 'radical' attempt to move increasingly to a regularly-reassessed work grade for each worker was an unambiguous commitment to developing gradually (as opposed to the sudden change in the Great Leap) a new attitude to rural labour:

'We must understand that sometimes "work points in command" and "material incentive" may stimulate the enthusiasm of some people; however, enthusiasm stimulated in this way really is not socialist enthusiasm.' (My emphasis - P.H.N.).⁽⁵⁵⁾

In theory differences between the work grades allotted to workers could be wide, but in practice during the Cultural Revolution the opposition to 'work pointism' tended to result in small gaps between work point allocations: the highest grade of adult male worker frequently received only 2-3 more work points (say 10 as opposed to 7-8) than the lowest grade.

In its simplest form the work norm remuneration system is analogous to a factory piece rate, with a fixed number of work points per unit of a given task accomplished: the more units completed, the more the work points credited. This system has been widely used for peak season tasks (notably harvesting) in combination with the time rate for more complex, less easily-measurable, off-peak tasks. In the early 1960's and increasingly since 1976, the work norm system has been combined with a complex process of contracts and bonuses. Under this procedure sub-groups ('work groups') within the production team undertake contracts for output on a particular piece of land and with a certain amount of capital; the contract is usually for a growing season or perhaps for a year. For fulfillment of the contract is granted a lump sum of work points to be further sub-divided among member households according to 'work accomplished'. For overfulfillment of the contract a reward (in workpoints) is given and for underfulfillment a penalty (deduction of workpoints) imposed. In the early 1960's contracts frequently were made with individual households so that a kind of de facto private farming emerged.

Even under the time rate system as operated during the Cultural Revolution considerable differences in per capita incomes could exist within the production team due to the fact that families were at different stages in the family cycle with resulting differences in the worker-dependent

Table 6.4 Distribution of collective income available for consumption in No. 7 production team of Xin Tang production brigade, Tang Tang RRG, Fo Gang xian, Guangdong province, 1978.

Range of collective income p.c. (yuan) ¹	No. of households ²	No. of people	No. of labour powers	Mean house- hold size (persons)	Mean number of labour powers per household	Mean ratio of labour powers to household size
31 - 50 (lowest = 36)	3	16	4	5.3	1.3	1:4.0
51 - 70	14	79	29	5.6	2.1	1:2.7
71 - 90	6	24	13	4.0	2.2	1:1.8
91 - 110	2	7	5	3.5	2.5	1:1.4
110 (highest = 162)	3	5	5	1.7	1.7	1:1.0

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Sources: Data given to Queen Elizabeth House, Oxford, China Study Group, June 1979.

Notes: (1) Including funds from outside (lai kuen).

(2) Excluding 2 households (1 person in each) with negligible earned incomes but receiving collective support.

ratio. For example, in the Guangdong production team shown in Table 6.4 the time-rate system still operated for off-peak work, and for peak-season work the team used work groups but allocated work points among the members along time rate principles, so that the distribution system still (in 1978) was close to that used widely in China during the Cultural Revolution. The data show clearly that in spite of relatively small differences in daily earnings per worker, the big differences in worker-dependent ratio contributed to wide variations in average per capita income.

The 'piece-rate' version of the work norm seems in practice to have been capable of producing wider variations in earnings per worker, and consequently, even greater variations in per capita incomes between team families. In principle this need not necessarily have been the case. Moreover, under both the time rate and piece rate system the scope for mobility of average collective incomes over time is large, since income is not dependent on ownership or control of capital (physical or financial) by the family, but simply on its labour power. The only factors leading to 'stickiness' in mobility of collective earnings per capita of the household would be rigidities in the transmission of skills and structured inequalities in strength and work attendance rate on account of inequalities in diet, housing and health. The large expansion of collective labour (affecting the transmission of skills), the distribution of the major part of grain consumption 'according to need', and the development of collective health facilities may well ^{helped} have/to reduce such inequalities.

The appeal of the contract system compared to the piece rate system is clear: it involves a great reduction in complex norm-calculation, in checking and recording of work accomplished, and yet it provides a simple, direct stimulus to the labour enthusiasm of the contractees (whether that be a small group or an individual). The dangers involved are equally clear. Without tight political control of an impartial kind at the team level the possibilities for one group to benefit more than another are obvious: the way in which the contract is set is critical, as is the need to ensure that resources are regularly re-distributed between groups. In Guangdong such problems are exacerbated by the existence of intra-village clan rivalries. Not only might income inequalities be affected, but more significant, they have already led to serious demands in parts of Guangdong for the teams to be permanently broken up (literally 'fen dui') and for the work groups to become the new base level unit of account and ownership as well as work organisation.⁽⁵⁶⁾ From there it is only a short step to fully private agriculture.

Introduction : Notes

- (1) Two World Bank economists have even suggested that it might be useful to produce a new measure of GNP growth in terms of the distributional pattern of income growth. The rate of increase in the society as a whole would be defined as a weighted sum of the growth of income of all groups, the weight for each income class reflecting the social premium attached to generating income growth at each level. (Montek S. Ahluwalia and Hollis Chenery 'The Economic Framework', in H. Chenery, M.S. Ahluwalia, C.L.G. Bell, J.H. Duloy and R. Jolly, Redistribution with Growth, London: Oxford University Press, 1974, pp. 38-42).
- (2) See, for example, William R. Cline, 'Distribution and Development, A survey of the literature', Journal of Development Economics, February 1975.
- (3) See The World Bank, World Development Report 1980, New York: Oxford University Press, 1980, pp. 34, 110-115, and 150-151. The 'centrally-planned' economies are included in a separate category from both the 'low-income' and the 'industrialised' countries.
- (4) *ibid.*, pp. 33-35, 110-111, and 150-154.
- (5) Ahluwalia, 'Income Inequality: Some Dimensions of the Problem', in Chenery, et al., Redistribution with Growth.
- (6) The World Bank, World Development Report 1980, p. 165.
- (7) See, for example, *ibid.*, pp. 35-6.
- (8) *ibid.*, p. 36.
- (9) *ibid.*
- (10) *ibid.*, Chs. 4-5.
- (11) On all of these suggestions see Montek S. Ahluwalia, 'The Scope for Policy Interpretation', in Chenery, et. al., Redistribution with Growth.
- (12) See, for example, D. Lane, The end of inequality; Harmondsworth: Penguin Books, 1971; A. McAuley, 'The Distribution of Earnings and Income in the Soviet Union', Soviet Studies, April 1977; P. Wiles and S. Markowski, 'Income Distribution Under Communism and Capitalism', Soviet Studies, January and April 1971; P. Wiles, 'Recent Data on Soviet Income Distribution', Survey 1975, No. 3; E. Wadekin, 'Income Distribution in Soviet Agriculture', Soviet Studies, January 1975.
- (13) Nove, for example, notes that until recently (writing in 1977) there was little evidence upon which to base any precise analysis of actual earnings in Soviet industry. (Alec Nove, The Soviet Economic System, London: Allen and Unwin, 1977, p. 209).

- (14) China is described only loosely as 'socialist' (hence the use of inverted commas), in the sense that it is ruled by a communist party whose proclaimed ideology is that if Marxism-Leninism, and in which the means of production are predominantly under state or collective ownership, permitting a degree of direct central control over the allocation of resources that is not possible in capitalist economies. The question of whether such a social system fully corresponds to the notion of socialism in the sense in which Marx and Lenin used the term is debatable.
- (15) See especially, Christopher Howe, Wage Patterns and Wage Policy in Modern China, 1919-1972, Cambridge: Cambridge University Press 1973.
- (16) Only two studies have been undertaken that deal in a substantial fashion with this issue: (1) Charles R. Roll, The distribution of rural income in China: a comparison of the 1930s and the 1950s, Harvard Ph.d dissertation, 1974; (2) Peter Schran, The Structure of Income in Communist China, University of California Ph.d. dissertation, 1961. In each case rural income in the 1950s forms only a part of the study, and in neither case do local newspapers form the main source of information; in the present study they do.
- (17) One of the particular difficulties associated with the study of Guangdong province in this period is that the provincial boundary shifted. On the 1st July 1955 five xians from the neighbouring province of Guangxi were transferred to Guangdong's jurisdiction (NFRB, 2nd July 1955) (quoted in Ezra F. Vogel Canton Under Communism, Harper Torchbooks, New York: Harper and Row, 1969, p. 150). They were restored to Guangxi province in 1965 (R. Baum, Bibliographic Guide to Kwangtung Communes, 1959-1967, Hong Kong: Union Research Institute, 1968, see Map of Kwangtung Province (1967)). The area involved in this transfer was called the Qin Zhou s.d. during the First Five Year Plan period. Wherever possible, an attempt has been made to make it clear whether or not a particular piece of information includes the Qin Zhou s.d. It seems likely that the area of Guangdong province was increased from 220,000 square kilometres (approximately) to 230,000 square kilometres by the inclusion of the Qin Zhou s.d. (the former figure is from Provincial Atlas of the People's Republic of China (Zhong-hua re-a-min gong-he-guo fen-sheng di-tu-ji), Beijing: Di-tu chu-ban-she, 1974, p. 83; the latter figure is from Liang Ren-cai, Huang Mian, and Shen Wei-cheng, Economic Geography of South China (Hua-nan jing-ji di-li), Beijing: Ke-xue chu-ban-she, 1959, translated in JPRS, No. 14, 954, p. 27).
- (18) Liang Ren-cai, et. al., Economic Geography of South China, p. 56.
- (19) On all of the information in the remainder of the paragraph see Liang Ren-cai, et. al., Economic Geography of South China, pp. 27-37.
- (20) Liang Ren-cai, Economic Geography of Guangdong (Guangdong jing-ji di-li) Beijing: Ke-xue chu-ban-she, 1956, translated in JPRS/DC-389, p. 15.
- (21) *ibid.*, pp. 15-16.
- (22) *ibid.*, p. 17.
- (23) Liang Ren-cai, et. al., Economic Geography of South China, pp. 13-14.
- (24) *ibid.*, p. 63. For an extensive discussion of the role of paddy rice in facilitating the expansion of population in South China see Perkins, Agricultural Development.

- (25) Dwight H. Perkins, Agricultural Development in China, 1368-1968, Edinburgh: Edinburgh University Press, 1968, p.91.
- (26) *ibid.*, p.89.
- (27) *ibid.*, p.104.
- (28) See Appendix E, Table 2.
- (29) For the whole of this paragraph see Chapter 5 of this essay.
- (30) See, for example, Lazar Volin, A Century of Russian Agriculture, Cambridge, Mass., Harvard University Press, 1970, Chapter 10. It was not until six years after the launching of the collectivisation campaign in late 1929 that the point was reached at which more than ninety per cent of peasant households had joined collective farms, (*ibid.*, p.211).
- (31) 'Urban areas (cities and towns) are those where a municipal people's council or a people's council of the hsien (xian) level or above is located, except for mobile administrative units in the pastoral areas. Urban areas are also those with 2,000 inhabitants or more of whom at least half are engaged in pursuits other than agriculture. Places of 1,000 to 2,000 population may also be classified as urban provided that these are industrial, commercial, transport, educational, or research centres, or are residential areas for workers, and provided that at least 75 per cent of the population is non-agricultural. Finally, places with sanatorium facilities in which patients constitute more than half of the local permanent population may also be classified as urban. All other areas are considered rural.' (State Council, 'Resolution on the criteria for demarcation of urban and rural areas' (adopted 7th November 1955) TJGZTX, 1955, No. 2).
- (32) Royal Commission on the Taxation of Profits and Income Final Report, London: HMSO, 1955, quoted in *ibid.*
- (33) In Chinese statistical practice the net value of agricultural production is the total value of output less 'material outlays': included in 'material outlays' are 'depreciation charges, seed, fertilisers, insecticides, animal feed, repair of farm tools, drugs for the prevention and treatment of veterinary diseases, and other material expenses'. (Nai-Ruenn Chen, Chinese Economic Statistics, Edinburgh: Edinburgh University Press, 1966, p. 65).
- (34) See for example (i) V. M. Dandekar and Nilakantha Rath, Poverty in India, EPW, Vol. 6, Nos. 1 and 2, 2nd and 9th January 1971; (ii) Gunnar Myrdal, Asian Drama, Vol. 1, Harmondsworth: Penguin Books, 1968, Chapter 12 ('Levels of Living and Inequality'); (iii) Ahluwalia, 'Income Inequality: Some Dimensions of the Problem'; pp. 10-11.
- (35) It may be assumed that a large part of any resources transferred out of the farm sector would have been used for consumption rather than investment purposes at least prior to the formation of agricultural collectives in the mid-1950's when decisions on income allocation were removed from the control of individual households. In the period immediately after land reform in China, it seems likely that the windfall gains from land reform would, to a considerable extent, have been used to increase consumption levels, given the low absolute levels of livelihood then prevailing in the countryside, and that the only way to increase the rural saving rate was through compulsory government action. Lippit has expressed clearly the tension between state and peasant in this respect:

- (35) 'The poor peasant beneficiaries of the land reform in China may
(cont) be presumed to have had a high marginal propensity to consume and ... a high income elasticity of demand for food in particular ... Prior to 1955, when the collectivisation of agriculture took place, then, the increase in the national savings-investment which may be ascribed to the land reform depended on the extent to which peasant effort to increase consumption were restricted through agricultural taxation or manipulation of the terms of trade between agriculture and industry.' (Victor D. Lippit, Land Reform and Economic Development in China, White Plains, N.Y.: International Arts and Science Press, 1974, p. 8). See also Ishikawa, 'Resources Flow Between Agriculture and Industry'.

For studies of this issue for China as a whole see Shigeru Ishikawa, 'Resource Flow Between Agriculture and Industry', DE, March 1967, No. 1; for a comparison of the inter-sectoral resource flow in China, Taiwan, India and Japan, see Shigeru Ishikawa, Economic Development in Asian Perspective, Tokyo: Kinokuniya Bookstore, 1967, Chapter 4; for the Soviet Union see Michael Ellman, 'Did the agricultural surplus provide the resources for the increase in investment in the U.S.S.R. during the First Five Year Plan?', EJ, No. 85 (December 1975).

- (36) The ratio of gross investment to gross domestic product in China during the First Five Year Plan (1953-1957) was 20 to 25 per cent (compared with only 10.5 per cent in India during its First Five Year Plan; in the Soviet Union at a similar stage the gross investment rate was the same as in China) (Nai Ruenn Chen and Walter Galenson, The Chinese Economy Under Communism, Edinburgh: Edinburgh University Press, 1969, p. 38). During the First Five Year Plan industrial production doubled, despite the fact that the 1952 level already was well above pre-war production (ibid., p. 215). Chen and Galenson conclude: 'the Chinese industrialisation drive of the period 1952-1957 must rank as one of the greatest concentrated efforts in world history in terms of the numbers of people involved, the amount of material used, the capital put in place, and the increase in industrial output'. (ibid., p. 43).
- (37) Dwight H. Perkins, 'Growth and Changing Structure of China's Economy', in Dwight H. Perkins (ed.) China's Modern Economy in Historical Perspective, Stanford: Stanford University Press, 1975, p. 139.
- (38) Carl Riskin, 'Surplus and Stagnation in Modern China', in Perkins (ed.) China's Modern Economy, p. 75.
- (39) See, for example, Alex Nove, An Economic History of the U.S.S.R., Harmondsworth: Penguin Books, 1972, p. 186 on the decline in farm production and p. 177 on the decline in rural living standards during the First Five Year Plan.
- (40) Chen and Galenson, The Chinese Economy Under Communism, p. 35.
- (41) For an extensive discussion of the urban-rural gap and the problems involved in measuring it see Michael Lipton, Why Poor People Stay Poor, London: Temple Smith, 1977, Chapter 5 ('The disparity in welfare and earnings'), and J.B. Knight, 'Measuring Rural-Urban Income Differentials', Proceedings of a Conference on Urban Unemployment in Africa, Institute of Development Studies, mimeo, September 1973.

- (42) R. L. Cohen, The Economics of Agriculture, Cambridge: Cambridge University Press, 1951, p. 31.
- (43) Article 17 of the U.S.S.R.'s law on the socialisation of the land (quoted in Michael Ellman, Planning Problems in the U.S.S.R., Cambridge: Cambridge University Press, 1975, p. 110).
- (44) See Adam Smith, The Wealth of Nations, Pelican edition, Harmondsworth: Penguin Books, 1970, Book 1.
- (45) Alfred Marshall, Principles of Economics, London: Macmillan, 1930, Book 4, Chapter 2-3, and Book 6, Chapter 9.
- (46) See Ellman, Planning Problems, pp. 110-118 for the debate in the Soviet Union, and for China see Chapter 4 of this essay.
- (47) On the last point, see the Soviet discussion presented in Ellman, Planning Problems, pp. 110-118. The author has not encountered an analogous discussion in the Chinese literature.
- (48) John Lossing Buck, Land Utilisation in China, Vol. 1 (Text), Vol. 2 (Atlas), Vol. 3 (Statistics), Nanking: University of Nanking, 1937.
- (49) *ibid.*, Vol. 1, p. 268.
- (50) *ibid.*, p. 225. It should be noted that Buck's terminology is rather misleading. His term 'crop area' is equivalent to what is normally termed 'arable area' or 'cultivated area' (geng-di), and his term 'crop acre area' is equivalent to what is normally termed 'sown area' (zhong-di) (see *ibid.*, p. 473).
- (51) *ibid.*, p. 226.
- (52) The index of double-cropping in the seven Guangdong xian included in Buck's survey (1929-1933) were:- Chao An = 153; Zhong Shan = 195; Jie Yang = 159; Gao Yao = 193; Qu Jiang = 191; Mao Ming = 197; Nan Xiong = 166 (*ibid.*; Vol. 3, p. 286).
- (53) On the long-run relationship between population growth and agricultural development in China see Perkins, Agricultural Development.
- (54) Buck, Land Utilisation, Vol. 1, p. 209.
- (55) *ibid.*
- (56) 'The dense population of China necessitates the production of the greatest amount of food possible per unit of land. This is accomplished largely by growing crops for their seeds or tuber products, rather than by devoting the land to pasture and crops for animals which in turn supply a smaller quantity of food in the form of animal products.' (*ibid.*, p. 245).
- (57) The method of calculating 'grain equivalent' was:- 'Food grains were all considered approximately equal in food values. Other products were converted into grain-equivalent on the basis of the amount of the most usually consumed grain of the locality that the product would buy'. (*ibid.*, pp. 279-280).

- (58) 'Man-equivalent measures the number of workers in terms of the equivalent of one person doing the work for a period of twelve months'. (ibid., p. 475).
- (59) ibid., p. 283.
- (60) Perkins, Agricultural Development, p. 92.
- (61) See (i) Yujii Muramatsu, 'A Documentary Study of Chinese Landlordism in Late Ch'ing and Early Republicism Kiangnan', Bulletin of the School of Oriental and African Studies, Vol. 29, No 33, 1966; (ii) Mark Elvin, The Pattern of the Chinese Past, London: Methuen, 1973, pp. 250-260; (iii) Alfred (Ho-yuke) Lin, The Kwangtung Peasant Economy 1875-1937: A Case Study of Rural Dislocation in Modern China, London University Ph.d thesis, 1976, pp. 236-244.
- (62) Buck in fact suggests that most farmers obtained their loans locally (Buck, Land Utilisation, p. 465) which strengthen this argument.
- (63) Perkins, Agricultural Development, p. 176.
- (65) ibid.
- (66) Lin, The Kwangtung Peasant Economy, pp. 175-6.
- (66) ibid., p. 176. One author claims that in the Republican period (1911-1949) the local tax collecting merchant or tax farmer collected 'several times, sometimes as much as ten times', what the government received (Chen Han-sheng, Landlord And Peasant in China, Hyperion Reprint (first published in 1936), Westport C.T.,: Hyperion Press, 1973, p. 74.
- (67) Lin, The Kwangtung Peasant Economy, p. 177.
- (68) ibid., pp. 177-9.
- (69) ibid.
- (70) Chen, Landlord and Peasant in China, p. 81.
- (71) Buck, Land Utilisation, p. 437.
- (72) See ibid., p. 408, for the rate of conversion of children and females to obtain the standard adult-male unit.
- (73) 79.3 per cent from grain and 8.9 per cent from potatoes (ibid., p. 407).
- (74) ibid.
- (75) For example: 'The large number of eggs produced in China is sometimes referred to as an important contribution to an otherwise mainly vegetarian diet. Unfortunately, this idea is not borne out by the facts so far as the farm family is concerned. For it, eggs are primarily a source of cash, to be consumed at home only as a luxury on special occasions'. (ibid., pp. 411-412).

- (76) ibid., pp. 419-420.
- (77) ibid., p. 419.
- (78) ibid., p. 425.
- (79) ibid., pp. 439-440.
- (80) ibid., p. 443.
- (81) ibid., p. 446.
- (82) David M. Lampton, The Politics of Medicine in China,
Folkestone; Dawson, 1977, p. 14.
- (83) ibid.
- (84) ibid.
- (85) Buck, Land Utilisation, Vol. 1, p. 387.
- (86) ibid., p. 392.
- (87) ibid.
- (88) ibid., p. 393.
- (89) ibid., pp. 373-4.
- (90) ibid., p. 462.

Chapter 1. Notes

- (1) The average per capita income levels before liberation (in 1956 prices) were said to be less than 40 yuan for poor peasants, around 70 yuan for middle peasants, and around 90 yuan for well-off middle peasants (Tao Zhu, 'Work Report for Guangdong People's Council', NFRB, 26th July 1957).
- (2) Some had increased output, some stable output, and some had experienced a fall in output in 1956. Some were in plain areas, some in mountainous areas, and some in areas that had suffered from natural disasters in recent years.
- (3) 'Is the difference between the living standard of the workers and peasants very great?', NFRB, 10th October 1957.
- (4) The 'labour day' is the standard unit of measurement of collective labour. One labour day equals ten 'work points'. The numbers of work points awarded for a day's collective labour depends primarily on 'the skill and intensity of labour involved and the importance of the job for the entire process of production' (Model Regulations for an Agricultural Producers' Co-operative) (17th March 1956). Beijing: Foreign Languages Press, 1976, p. 27.
- (5) Statistical Investigation, 'Investigatory Materials on distribution of income in 228 agricultural co-operatives ...'.
- (6) *ibid.*
- (7) Calculated by dividing the total income available for distribution to APC members by the total number of labour days recorded for collective labour.
- (8) Statistical Investigation, 'Investigatory Materials on distribution of income in 228 agricultural co-operatives ...'.
- (9) *ibid.*
- (10) Average net income per mou in 1957 was: North West and Inner Mongolia = 11.8 yuan, North East = 9.4 yuan, Central Plain = 17.0 yuan, South = 24.2 yuan (*ibid.*).
- (11) A national estimate for the mid-1950's suggested that about sixty per cent of total peasant consumption was self-produced (Xu Gang, 'Several ways of looking at the comparison of workers' and peasants' incomes', TJGZ, No. 10 1957). In Guangdong province in the early 1960's it was said that more than sixty per cent of the things consumed by the peasants they produced themselves and did not need money to buy (Editorial '(The gap) between workers and peasants', NFRB, 13th June 1964).
- (12) Regulations Concerning Rural People's Communes - Revised Draft, (Nong-cun ren-min gong-she tiao-li xiu-zheng chao-an) reproduced by the Nationalist Chinese Government in Taipei, 1965, Article 45. These regulations are, for obvious reasons, commonly referred to as the 'Sixty Articles'. For most of the 1960's and 1970's they remained a key element in rural policy.
- (13) William L. Parrish, 'Socialism and the Chinese Peasant Family', *Journal of Asian Studies*, Vol. 24, No. 3, May 1975, p. 621.
- (14) Personal communication to the author on his trip to rural China in June 1979. This information is from Wugong People's Commune, in Rao Yang xian, in Hebei province.

- (15) *ibid.* See also, for example, the account of housebuilding in the countryside given in Jack Chen, A Year in Upper Felicity, London: Harrap, 1973, pp. 186-195, and in Jan Myrdal and Gun Kessle, China: The Revolution Continued, Harmondsworth: Penguin Books, pp. 19-22.
- (16) Chen, A Year in Upper Felicity, p. 195.
- (17) Myrdal, China: The Revolution Continued. One family had two caves built for a total cost of 520 yuan, of which, the constituent costs were: (i) the quarry work and transportation of the cut stone from the quarry to the building site = 60 yuan; (ii) removal of the earth = 40 yuan; (iii) building work = 50 yuan; (iv) carpentry = 60 yuan; (v) costs of feeding the building group = 50 yuan (*ibid.*, p. 21).
- (18) Parrish, 'Socialism ...', p. 621.
- (19) Victor W. Sidel and Ruth Sidel, Serve the People, Boston: Beacon Press, 1973, pp. 21-22.
- (20) *ibid.*, p. 23.
- (21) David M. Lampton, The Politics of Medicine in China, Folkestone: Dawson, 1977.
- (22) *ibid.*, p. 56.
- (23) See, for example, (i) Myrdal, China: The Revolution Continued, p. 87; (ii) New China's First Quarter-Century, Peking: Foreign Languages Press, 1975, p. 60; (iii) Chu Li and Tien Chieh-yun, Inside a People's Commune, p. 200, 1969.
Myrdal notes: 'To-day [1969], all over China, the health insurance reform is being introduced in brigade after brigade. All of which may seem quite simple and self-evident. There's nothing very sensational about health insurance. But in point of fact the introduction of health insurance is one of the great, one of the truly sensational events in the China of the cultural revolution.' (Myrdal, China: The Revolution Continued, p. 87).
- (24) Some Basic Facts About China, China Reconstructs, Supplement, January 1974, p. 89.
- (25) Chu Li, et al., Inside a People's Commune, p. 200.
- (26) Some Basic Facts About China, p. 91.
- (27) Jan Myrdal, Report from a Chinese Village, pp. 289-290.
- (28) 1 jiao = 0.10 yuan.
- (29) Some Basic Facts About China, pp. 90-91.
- (30) *ibid.*
- (31) For example, the price of medical instruments and equipment, vaccines, and blood plasma had all been reduced in the late 1960's.
- (32) See, for example, Peter Manger, et al., Education in China, London: Anglo-Chinese Educational Institute, 1974, p. 13, and C.K. Yang, A Chinese Village in Early Communist Transition in C.K. Yang, Chinese Communist Society: The Family and the Village, M.I.T. Press Paperback, Cambridge, Mass.,: The M.I.T. Press, 1968, p. 186.
- (33) Yang, A Chinese Village, p. 186.

- (34) The people of Hainan do not permit the slanderous rumours of the Rightest element Yun Ying-lin', NFRB, 7th August 1957.
- (35) 'Our future is limitlessly excellent', NFRB, 14th August 1957.
- (36) 'We definitely do not allow the bankrupt slanders of the Rightest Party element', NFRB, 14th August 1957.
- (37) In 1954 there were 3.25 m. primary school students, and 0.314 m. middle school students ('Report on the development of the national economy and the carrying through of the state plan in Guangdong', NFRB, 5th October 1955).
- (38) Myrdal, Report from a Chinese Village, pp. 302-303.
- (39) *ibid.* p. 303
- (40) Assuming a three term system.
- (41) The consumption of beef and fruit in the Guangdong countryside in the early 1930's was at negligible levels. Legumes generally provided less than 1.5 per cent of total calorie intake. In total, it is most unlikely that the inclusion of these items would have added more than two per cent to total daily calorie intake (see J.L. Buck, Land Utilisation in China: Statistics, Nanking: University of Nanking, 1937, p. 73, and pp. 115-117). If a significant proportion of the fish consumption was in dried form this also would raise the calorie intake. I have assumed that most fish consumed was fresh fish. On the other hand, to the degree that figures for pork, poultry, and fish consumption do not allow for filleting the figure in these categories will be overestimates.
- (42) Energy and Protein Requirements, Report of a joint FAO/WHO Ad hoc Expert Committee, Rome: FAO, 1973, p. 82 quoted in K.R. Walker, 'Grain Self-sufficiency in North China, 1953-75', *China Quarterly*, No. 71, September 1977, p. 58.
- (43) See Walker, 'Grain Self-sufficiency in North China', p. 582. He suggests that a figure of 2,100 calories would be a conservative minimum standard by which to judge energy intake in North China (*ibid.*).

Chapter 2 Notes

- (1) After 1936 economic performance was affected firstly by the Sino-Japanese war and afterwards by the internal civil war.
- (2) N.R. Chen and W. Galenson, The Chinese Economy under Communism, Edinburgh: Edinburgh University Press, 1969, p. 28.
- (3) *ibid.*, p. 2.
- (4) C. Riskin, 'Surplus and Stagnation in Modern China', in D.H. Perkins, (ed.), China's Modern Economy in Historical Perspective, Stanford: Stanford University Press, 1975, p. 75.
- (5) The 'investment rate' referred to here is gross domestic capital formation, as a proportion of gross domestic product, the lower figures quoted in the text are in 1933 prices and the higher figures in 1952 prices. (K.C. Yeh, 'Capital Formation', in A. Eckstein, W. Galenson and T.C. Liu, (eds.), Economic Trends in Communist China, Chicago: Aldine Press, 1968, pp. 510-511.)
- (6) State Statistical Bureau, Ten Great Years, reprinted (with an introduction by F.H. Mah) Washington: Washington state College, 1974, p. 10.
- (7) Most sectors recovered to their pre-1949 peak level by 1952. Guangdong agriculture was no exception to this:

Year in which pre-1949 peak production was attained in Guangdong

<u>Item</u>	<u>Year</u>
Grain	1952(a)
Cattle	1950(a)
Fish	1954(b)
Pigs	1950(a)
Sugar-cane	1952(a) (possibly 1950-51)
Peanuts	1954(a)
Silk cocoons	Still not attained by 1957
Citrus fruits	Still not attained by 1957
Jute	At least by 1952 (though probably 1950 or 1951)(a)
Tea	Still not attained by 1957
Yellow tobacco	At least by 1952 (though probably 1950 or 1951)(a)

Source: Appendix B, Tables 9-15 and 17-20.

Notes: (a) Both pre-1949 peak and post 1949 reattainment of that peak include Qin Zhou S.D.

(b) Pre-1949 peak excludes Qin Zhou S.D.

- (8) The authoritative estimate suggests that Gross Domestic Product per capita in 1952 was about seven per cent below the level of 1933: GDP per capita (1957 prices; unit = yuan) in 1914-18 = 112.6, 1933 = 123.4, 1952 = 115.2, 1957 = 147.9 (D.H. Perkins, 'Growth and Changing Structure of China's Economy', in Perkins (ed.), China's Modern Economy, p. 122).

(9) Index of per capita consumption (including communal services)
at 1952 prices.

	1933	1952	1957
Communist data reconstructed on Western concept	100	83.7	108.2
Estimate by T.C. Liu and K.C. Yeh	100	87.3	96.9

Source: T.C. Liu, 'Quantitative Trends in the Economy', in Eckstein, et al., Economic Trends, p. 146.

(10) (a) The national level of average peasant per capita consumption was as follows:-

(Unit: 1952 yuan)

1936 = 61.2	}	Source: Economic Research Dept., Chinese Academy of Science.
1952 = 72.0		
1955 = 78.9		Source: State Statistical Bureau.
1956 = 81.0		

Source: 'A discussion of some ways of looking at the living standards of workers and peasants', XHNB, 23rd April 1957.

(b) In Guangdong province average per capita peasant livelihood expenditure altered in the following fashion:

(Unit: yuan)

(the highest level pre-1949)	1936 = 71.64
	1949 = 67
	1952 = 83
	1954 = 87.84
	1955 = 85.86
	1956 = 89.8

Note: From a survey of 509 households.

Source: 'Guangdong peasants' living standards surpass their highest level in recent years', GZRB, 25th July 1957.

(c) In Guangxi province (adjacent to Guangdong) average per capita peasant income (at constant prices; net of taxes and production expenses rose from 69.71 yuan in 1936 (the highest pre-1949 level), to 83.2 yuan in 1956. Average per capita consumption rose in the following fashion:-

Item	Unit	1936	1956
Grain	jin	476	556
Edible oil	jin	3.0	4.5
Meat	jin	8.11	9.6
Salt	jin	8.80	13.3
Cotton cloth	chi	9.3	16.6

Source: Hunan agriculture (Hunan nong-ye), Hunan Agricultural Study Institute, Higher-level Education Publishers, 1959, p. 70.

- (11) For a detailed discussion see Riskin, 'Surplus and Stagnation'.
- (12) Perkins, 'Growth and Changing Structure', p. 126.
- (13) Discussion about the contribution that agricultural savings could or should make to investment finance in the non-agricultural sector in a planned economy has been a subject of heated debate since the 'Great Industrialisation Debate' in the 1920's. In that debate the leading 'leftist' theoretician, Preobrazhensky, suggested the following 'law' of 'primitive socialist accumulation':

'The more backward economically, petty-bourgeois, peasant, a particular country is which has gone over to the socialist organisation of production, and the smaller the inheritance received by the socialist accumulation fund of the proletariat of this country when the social revolution takes place, by so much the more, in proportion, will socialist accumulation be obliged to rely on alienating part of the surplus product of pre-socialist form of economy and the smaller will be the relative weight of accumulation on its own production basis, that is, the less will it be nourished by the surplus product of the workers in socialist industry.' (E. Preobrazhensky, The New Economics, Oxford: Oxford University Press, 1965, p. 124.

Most economic historians have assumed that in the early years of planned industrialisation in the Soviet Union the agricultural sector did indeed make a major contribution to the financing of industrial development. On the basis of recently released data this view has now been questioned, and it has been suggested that the net resource flow under the first Five Year Plan was in fact into agriculture, with the major share of finance for industrial investment coming from internal self-accumulation within the industrial sector. (See M. Ellman, 'Did the agricultural surplus provide the resources for the increase in investment in the USSR during the first Five Year Plan?', EJ, No. 85, December 1975).

- (14) First Five Year Plan for Development of the National Economy of the People's Republic of China in 1953-1957, Peking: Foreign Languages Press, 1956, pp. 16-18.
- (15) *ibid.*, p. 17.
- (16) Mao Tse-tung, 'On the Ten Major Relationships', 25th April 1956, in Selected Works of Mao Tse-tung, Vol. 5, Peking: Foreign Languages Press, 1977, p. 285.
- (17) *ibid.*, p. 286.
- (18) In 1957, 86 per cent of the Guangdong population were classified as "rural" dwellers (see Appendix B, Table 8).
- (19) On the decline in rural income in the Soviet countryside in the early 1950's see, for example, L. Volin, A Century of Russian Agriculture, Cambridge, Mass.: Harvard University Press, 1970, pp. 256-260.
- (20) Mao, 'On the Ten Major Relationships', p. 291.
- (21) Liang Ren-cai, Economic Geography of Guangdong, (Guangdong jing-ji di-li) Beijing: Ke-xue chu-ban-shi, 1956, translated in JPRS/DC-389, p. 21.
- (22) For example, while sown area of grain in 1976 was slightly below that of 1957, grain yields per mou of sown area had risen by 54.6 per cent (see Table 2.1).

- (23) Rural population in Guangdong in 1957 was 32.5 million (i.e. 85.5 per cent of total population) (Liang Ren-cai, Huang Mian, and Shen Wei-cheng, Economic Geography of South China (Hua-nan di-qu jing-ji di-li), Beijing: Ke-xue chu-ban-she, 1959, translated in JPRS No. 14,954, pp. 48 and 50. Total population of the province in 1953 was 34.77m. (Appendix B, Table 8) and I have assumed that in Guangdong as over the whole of China rural population's proportion of total population declined by less than one per cent from 1953 to 1957 (Nai-Ruenn Chen, Chinese Economic Statistics, Edinburgh: Edinburgh University Press, 1966, p. 127), producing a figure of about 29.7m. for Guangdong's rural population in 1953. The total arable area of the province rose from 52.0 m.mou in 1953 to 57.9 m.mou in 1957 (Appendix B, Table 1).
- (24) R.H. Tawney, Land and Labour in China, London: Allen and Unwin, 1932, pp. 44-46.
- (25) See especially K.R. Walker, 'Organisation of Agricultural Production', in Eckstein et al., Economic Trends in Communist China, pp. 405-413. It should be noted that Guangdong was rather better placed than most Chinese provinces in relation to the availability of labour per unit of farm land (ibid., p. 411). Walker suggests: 'The conclusion drawn here is that in planning the extension of double cropping in 1956, the collectives should have been concerned primarily with the labour gap. Without a remarkable rise in labour productivity it was found to be difficult and, in some areas, impossible to increase the double-cropped area, because of the labour shortage alone.' (ibid., p. 412).
- (26) Both were growing at first over two per cent per annum (see Note 23 and Appendix B, Table 8).
- (27) The major change in respect to the participation rate was the increased role of women in farm labour. In part this was due to general propaganda in favour of greater female participation in non-domestic labour, but more particularly was due to the capacity of collectives to organise nursery facilities (D. Davin, Woman-Work, Oxford: Oxford University Press, 1976, Chapter 4). In 1956 it was estimated that female workers earned 25 per cent of total work points allocated by collectives (ibid., p. 149). In South China, where female work in the fields had long been more pronounced than in other parts of China, it was estimated that by 1957 46 per cent of the labour force in APC's was female, and that they worked 33 per cent of the total number of labour days (Statistical Investigation Publishing House, 'Investigatory Materials on Distribution of income in 228 agricultural co-operatives in 1957', XHBYK, No. 18, 1957). (Data from 107 APC's in the following provinces: Yunnan, Guizhou, Sichuan, Guangxi, Guangdong, Hunan, Hubei, Jiangxi, Fujian, Zhejiang and Jiangsu and Anhui South of the Huai River.) The total number of labour days worked in Chinese agriculture has been calculated as having increased by almost thirty per cent in 1955-6. (P. Schran, The Development of Chinese Agriculture, Urbana, Illinois: University of Illinois: Press, 1969, p. 75).
- (28) The total weight of natural fertilisers collected in China rose by about four per cent in 1955-6 and about 17 per cent in 1956-7 (K. Chao, Agricultural Production in Communist China, Madison: University of Wisconsin Press, 1970, p. 150).

In Guangdong the irrigated area rose by 9.8 per cent in 1956, and a further 20 per cent in 1957 (from 12.6 m.mou in 1952, to 15.9 m.mou in 1955, 17.4 m.mou in 1956, and 20.9 m.mou in 1957). (Provincial Agricultural Statistics for Communist China, Ithaca, N.Y.: Social Science Research Council Committee on the Economy of China, 1969, p. 139). The irrigation ratio (irrigated area as a proportion of arable area) increased from 26.5 per cent in 1953 to 36.1 per cent in 1957 (Source: *ibid.*, and Appendix B, Table 1). In the winter and spring of 1955-6 water conservation works affecting 10.5 m.mou were constructed, which was more than twice the total in the whole period from 1949 up to 1955 (Tao Zhu, 'We must certainly carry out well construction work in Guangdong', NFRB, 30th August 1956).

The annual average afforested area in China between 1952 and 1955 was 1.3 m.ha., but in 1956 the area increased to 5.7 m.ha., and even in 1957 stood at 4.4 m.ha. (Chen, Chinese Economic Statistics, p. 290). In Guangdong the total area under forest rose from 57 m.mou pre-1949 to 118.8 m.mou in 1957 (Chen Yu, 'Welcoming the general line's red flag, struggling for a new great victory', NFRB, 12th October 1959).

- (29) Some support for this view in the case of Guangdong is provided by Table 2.1 which shows that even in the mid-sixties the sown area of the province was below the level of 1957. For grain alone, the sown area in the mid-seventies was below even the level of the early 1950's. Yields per sown area of grain however were about eighty per cent higher in 1976 than in 1952 (370 jin as opposed to 208 jin). The two most detailed studies adopting this position are Walker, 'Organisation of Agricultural Production', and S. Ishikawa, 'Changes in the structure of agricultural production in Mainland China', in W.A.D. Jackson, (ed.), Agrarian Policies and Agrarian Problems in Communist and Non-Communist Countries, Seattle: University of Washington Press 1971. Ishikawa argues (using especially evidence from Hunan province in South China) that the inherited cropping systems 'were in most cases highly advanced ones within the framework of traditional agriculture. Technically they were skillful adaptations to the natural conditions in each locality. Economically, they represented methods for deriving the most stable and the largest outputs possible under the constraints of these natural conditions and such local resources as water, fertiliser, and animal labour. These resources are fully utilised, although in the case of human and animal labour, only during the busiest season. Thus, under these cropping systems, a kind of long-term balance between inputs and outputs appears to have been maintained. Any attempt to change these established cropping systems has meant a threat to the existing output level. (*ibid.*, p. 353.) For Ishikawa, the key element that would permit a change in this traditional situation was the supply of modern inputs on a large scale which did not begin in China until the 1960's.
- (30) The total number of cattle in Guangdong changed as follows: 1954 = 4.5m., 1955 = 4.6m., 1956 = 4.6m., 1957 = 4.3m. (Appendix B, Table 9).
- (31) A survey of 50,000 animals in 305 Guangdong APC's in 1957 found that 54.7 per cent of oxen were weak (Walker, 'Organisation of Agricultural Production', p. 436-7). For more extensive discussion of the situation outside Guangdong see *ibid.* Walker concludes

that the APC's in 1955-6 'were generally unsuccessful in raising (or even maintaining) the quality and number of draft animals; though the dire consequences of the decline in animals were mitigated by the substitution of labour which has tended to obscure this failure.' (ibid., p. 424.)

- (32) It was acknowledged widely that problems had arisen due to the under-pricing of, or even non-payment for draft animals brought into the APC's in 1955-6 (see Chapter 5).
- (33) The severity of the 'squeeze' on grain marketings after the introduction of compulsory grain sales in late 1953 and the subsequent fodder difficulties in the Guangdong countryside will be discussed later in this chapter.
- (34) Chao, Agricultural Production, p. 156.
- (35) Zhong Shan District Party Committee, 'Questions concerning the development of Agricultural production in Fo Shan S.D.', NFRB, 13th October 1956.
- (36) See Tao Zhu, 'We must certainly carry out well ...', and 'Pork supplies cannot satisfy demand', NFRB, 20th November 1956. See also Walker, 'Organisation of Agricultural Production ...', p. 431.
- (37) 'In this five-year period we can only experiment with agricultural mechanisation in individual cases and on a limited scale ... The plan for co-operation in agriculture is an important component part of the First Five-Year Plan. It is of vital importance in fostering the growth of agriculture and ensuring the fulfillment of the whole economic plan.' (First Five Year Plan, pp. 118-9.)

The Guangdong peasants in 1954 were told: 'Naturally we cannot bring about a really fundamental transformation of agriculture until we have industrialised, but this doesn't mean that we sit around waiting for tractors. The way to increase agricultural output more quickly at the moment is agricultural co-operation' (Editorial, 'Unite the question of supplies with explaining the policy of industrialisation to the peasantry', NFRB, 28th August 1954).
- (38) See 'Measures for fulfilling the agricultural production plan' in First Five Year Plan, pp. 120-128.
- (39) 'Distribution of above-norm investments in the First Five Year Plan', SCMP No. 1161, 31st October 1955.
- (40) Chao, Agricultural Production, p. 156. In 1964-65, the application of chemical fertiliser per ha. was 57 Kgs. in the USA, and 302 Kgs. in Japan (ibid., p. 158).
- (41) Ceng Guang, 'Enthusiastically develop mechanical drainage and irrigation; serve agricultural production', NFRB, 5th February 1958.
- (42) Chen Yu, 'Welcoming the general line's red flag ...'
- (43) National total of tractors was 59,000 standard units in 1959 (Chao, Agricultural Production, p. 107).
- (44) ibid., p. 115.
- (45) Chen Yu, 'Welcoming the general line's red flag ...'
- (46) Tawney, Land and Labour in China, pp. 26-7.

- (47) J.L. Buck, Land Utilisation in China, Vol. 3, (Statistics) Nanking: University of Nanking, 1937, p. 73.
- (48) *ibid.*
- (49) Liang Ren-cai, et al., Economic Geography of South China, p. 63.
- (50) For the latest in a long line of such statements see Tong Da-lin, 'Transforming China's Agricultural Components', BR, No. 4, 28th January 1980.
- (51) In 1955 raw and manufactured farm products (textiles tea and tobacco, fruit and vegetables, livestock products, cereals, soybeans, oilseeds and products) amounted to 70 per cent of China's export earnings (Chen and Galenson, The Chinese Economy Under Communism, p. 205). In 1976 agricultural products plus textiles amounted to 60 per cent of China's export earnings (R.E. Batsavage and J.L. Davie, 'China's International Trade and Finance', in US Congress, Joint Economic Committee, Chinese Economy Post-Mao, Washington D.C.: US Government Printing Office, 1978, p. 737).
- (52) See F.M. Surls, 'China's Grain Trade' in US Congress, Chinese Economy Post Mao, p. 655 and H.J. Groen and J.A. Kilpatrick, 'China's Agricultural Production' in *ibid.*, p. 649. This contrasts strongly with the Indian situation, for example, where net imports have rarely been as low as three per cent of total supplies and have on occasion risen to over ten per cent (T.J. Byres and P. Nolan, Inequality: India and China Compared, 1950-1970 Milton Keynes: Open University Press, 1976, p. 47). It should be noted that a shift towards a greater dependence on foodgrain imports is detachable in 1979-80 in China.
- (53) In Fo Gang xian in a hilly region to the North West of Guangzhou the average per capita grain consumption in 1979 was around 40-60 jin per capita per mouth. Production teams falling below the 40 jin level were relieved of their various state grain 'tasks' (tax plus sales) as lower consumption levels were attained. The minimum below which consumption was not permitted to sink was 30-35 jin per capita (depending on the area). In order to obtain the grain to make consumption up to this amount teams had to use spare funds to purchase the grain; if they had none then they would be given a state loan, and if they were extremely poor a grant could be given. So it appears that an absolute minimum 'floor' to average consumption in a given production team of 360 jin (180 Kgs.) has been established. (Source: Fo Gang xian Agricultural Department, a leading cadre, verbal briefing to Queen Elizabeth House, Oxford, China Study Group, June 1979.)

(54) Planned and actual area sown to various economic crops in Guangdong province

Item	1956 ¹			1957		
	Planned (m.mou)	Actual (m.mou)	Actual as % of planned	Planned ² (m.mou)	Actual ³ (m.mou)	Actual as % of planned
Peanuts	4.0	3.29	82	4.20	3.79	90
Sugar cane	1.46	1.33	91	1.62	1.76	109
Jute	0.367	0.256	70	0.469	0.375	80
Mulberry	0.21	0.18	86	0.290	0.196	68
Tobacco	0.12	0.137	114	n.a.	n.a.	n.a.

Sources: ¹ Tao Zhu, 'We must certainly carry out well ...'

² Seven-year plan for agricultural construction (draft), NFRB 8th April 1956, in Liang Ren-cai, Economic Geography of Guangdong, pp. 99-101.

³ Appendix B, Tables 3-6.

- (55) See (i) 'Carry out in accordance with the facts the guideline for all-round development of agricultural production', NFRB, 15th November 1956 (on Zhan Jiang S.D.); (ii) 'Several Questions concerning the development of mountain region production in Shao Guan S.D.', NFRB, 11th December 1956; (iii) 'Questions concerning the development of agricultural production in Fo Shan S.D.', NFRB, 13th October 1956.
- (56) 'Questions concerning the development of agricultural production ...'
- (57) Walker notes: ... '(T)he planning system [in 1956] was over centralised to the point where collectives merely mechanically carried out orders from above, especially those received from the hsien (county) authority, which was the level of planning at which the lower and higher administrative layers met. The hsien cadres might legitimately argue that they, in turn, had no alternative but to carry out orders received from the provincial authorities. Was planning, therefore, not a genuine two-way process? It would appear that at least until the Autumn of 1956, it was not.' (Walker, 'Organisation of Agricultural Production ...', p. 424.)
- (58) *ibid.*, Section IV.
- (59) In Wu Gong People's Commune, Rao Yang xian, Hebei province the state plan for 1979 specified the following allocation of arable area: (i) grain = 23,600 mou, expected yield = 800 jin per mou; of which, wheat = 20,500 mou; (ii) cotton = 4,000 mou, expected yield = 80 jin per mou; (iii) oil-bearing crops = 1,700 mou, expected yield = 300 jin per mou. So, the area specified in the state plan was 29,300 mou out of a total arable area of 34,873 mou, leaving only about 15-16 per cent to be allocated as the commune itself chose. (Source: information from the commune accountant, given in interview with Queen Elizabeth House, Oxford, China Study Group, June 1979.)
- (60) 'Questions concerning the development of agricultural production ...'
- (61) Li Wen-hua, 'From the expansion of Guangdong's agricultural production we can see the transformation of the peasants' living standard', NFRB, 8th August 1957.
- (62) Model Regulations for Advanced Agricultural Producers' Co-operatives Peking: Foreign Languages Press, 1956, p. 11.

- (63) *ibid.*, p. 12.
- (64) *ibid.*, p. 10.
- (65) In Shun De xian, for example, in 1956 they amounted to only three per cent of arable land (Shun De xian basically solves the question of upper middle peasants leaving the APC', NFRB, 6th April 1957). It was said that in some of the province's APC's no land at all had been allocated as private plots ('The way in which to catch up with the well-off middle peasant output and living standard', NFRB, 13th November 1957).
- (66) 'Xin Feng xian fixes a new policy for agriculture and forestry to advance together', NFRB, 23rd October 1956.
- (67) 'Central Committee of CCP and State Council issue joint directive on distribution of summer harvest', NFRB, 16th June 1957. See also Walker, 'Organisation of Agricultural Production', p. 431. For an extensive discussion of the treatment of the private sector see K.R. Walker, Planning in Chinese Agriculture, London: Frank Cass, 1965.
- (68) Tao Zhu, 'We must certainly carry out well ...' See also Walker, 'Organisation of Agricultural Production', p. 431.
- (69) 'CCP Central Committee directive on methods of applying the policy of mutual benefit among co-op numbers', translated in SCMP, No. 1618, 26th September 1957.
- (70) Walker, Planning in Chinese Agriculture, p. 69. In February 1957 Tao Zhu anticipated that the encroachment on paddy field by private plots and economic crops was equivalent to a loss of 600 m. jin of grain output (Tao Zhu, 'Develop enthusiasm to a high level, struggle hard for a bumper harvest this year', NFRB, 22nd February 1957). See also Walker, 'Organisation of Agricultural Production ...' p. 437.
- (71) In Shun De xian the APC cadres did not really understand the close and complex relationship between the fishponds and the raising of silkworms'. In 1956 over 100,000 mou of rice fields were changed from extensive cultivation (zheng-gao) to intensive cultivation (fan-geng) with an increase in the area of transplanted seedlings from 140,000 to 290,000 mou. This led to a big increase in labour demands especially in spring and summer which is the period when there is the greatest need for labour in mulberry, fishponds, and sugar cane production. As a result the work in these non-grain tasks was done late and the quality of output fell. ('From Shun De xian see the evil result of an incorrect line in production', NFRB, 23rd November 1956.) It was admitted in 1957 that the low technical level of agricultural technical cadres was causing problems. 80 per cent of such cadres were graduates only of lower-level agricultural technical schools and short-period training centres: 'their technical level is then relatively low, and the needs of the masses for increasing scientific technique after co-operativisation, are very urgent, and we cannot completely satisfy this need' (Li Wen-hua, 'From the expansion of Guangdong's agricultural production ...').
- (72) Li Wen-hua, 'From the expansion ...' See also Su Fang, 'The great support which the state led by the industrial workers, has given to the peasants', NFRB, 3rd November 1957.

- (73) K.A. Wittfogel, 'Communist and Non-Communist Systems with Special Reference to the USSR and China: A Comparative Approach', in W.A.D. Jackson, (ed.) Agrarian Policies and Agrarian Problems in Communist and Non-Communist Countries, Seattle: University of Washington Press, 1971, p. 35.
- (74) The total numbers of pump sets increased from a negligible level in 1949 (237 sets, 6,827 h.p.) to the figure of 1549 (38,054 h.p.) in 1957 (March) (Liu Tiao-Hua, 'The great achievements of Guangdong in constructing irrigation works', NFRB, 12th August 1957).
- (75) From 1949 to mid 1957 Guangdong added 9.4 m.mou to the irrigated area, 2.0 m.mou to the drained area and improved the irrigation on a further 9.3 m.mou making a total addition (including improvement) of 20.7 m.mou to the drained and irrigated area (ibid.). By March 1957 the province had 15.7 m.mou capable of withstanding up to 60 days' drought, 13.15 m.mou capable of withstanding more than 30 days' drought and 10.35 m.mou capable of withstanding droughts of less than 30 days. The total arable area at that stage was about 58 m.mou. (ibid.).
- (76) It is suggested that even in the 1930's almost seventy per cent of the arable area in Guangdong was irrigated, though of course the state of repair of such water works frequently may have been bad due to the neglect of the preceding century or so. (See D.H. Perkins, Agricultural Development in China, 1368-1968, Edinburgh: Edinburgh University Press, 1968, p. 66).
- (77) Tao Zhu, 'People's Communes Making Progress', HQ, No.4, 26th February 1964, translated in JPRS, No. 24,292, p. 39.
- (78) Typhoon = tai-feng (literally 'great wind'). Wu Yu-wen, Guangdong's Geographical Situation (Guangdong di-ligai-kuan). Guangdong ren-min chu-ban-she, 1973, pp. 14-16.
- (79) On general problems of water-supply see ibid., pp. 13-14. It was claimed that in the Zhan Jiang S.D. between 1646 and 1889 there had been 243 large natural disasters, that is an average of one per year, and that in the Shan Tou and Hui Yang S.D.'s there had been 796 large natural disasters in the past 900 years (Guan Shan, 'Concerning disaster relief work in the villages').
- (80) Guan Shan, 'Concerning disaster-relief work ...' He noted in 1957: 'Although suitable arrangements have been made towards production and livelihood problems, there still is a part of the people whose livelihoods have not been completely resolved. Since Liberation the Party and government have taken active steps to combat natural disasters, and livelihood difficulties stemming from other causes. But due to the fact that the forces of production are still at a low level, we cannot at once thoroughly resolve this question, and consequently each year in some areas there still will be natural disasters and famines of different degrees.' (ibid.)
- Even in a relatively good year such as 1956, 10.07 m.mou was reportedly affected by drought over the spring ploughing and summer harvest (Liu Tiao-Hua, 'The great achievements ...'). The area suffering from drought-disaster in the autumn of 1956 was said to be 5.31 m.mou, causing a loss of 600 m.jin of grain output. (Guan Shan, 'Concerning disaster relief-work ...').
- (81) See, for example, Liu Tiao-Hua, 'The great achievements ...', and 'Guangdong peasant living standards surpass their highest level in recent years'.

- (82) This data only includes items within the state plan. It does not include green manure or vegetables, but sideline products from agricultural crops (e.g. rice stubble, wheat straw) are included. Other domestic sideline products, such as cows milk, chicken, ducks and geese and eggs, are not included (Zhang Ming-yang, 'An analysis of peasant income in Fujian', JJDB, 12th May 1957).
- (83) The annual average was said to have been about 10,000 jin of rice (da-mi) (Li Wen-hua, 'From the expansion ...').
- (84) *ibid.* This continued up until 1975. In 1976 and 1977 the province was self-sufficient but supplied no grain 'exports'. In 1978 due to natural disasters 400 m.jin was 'imported' to Guangdong (Zhen Hua, Vice-Director of Agricultural Commission of Guangdong interview with Queen Elizabeth House, Oxford, China Study Group, June 1979).
- (85) By the 1970's it was producing more than half of the total amount of sugar cane in China (Wu Yu-wen, Guangdong Geographical Situation, p. 29).
- (86) Liang Ren-cai, et al., Economic Geography of South China, p. 72.
- (87) *ibid.* p. 91.
- (88) *ibid.* p. 96.
- (89) 'Several questions concerning the development of mountain region production'.
- (90) *ibid.*
- (91) 'Nan Hai xian all-roundedly develops output; peasant income increases', NFRB, 1st September 1956.
- (92) 'Hainan region fixes a new guideline for the development of agricultural production', NFRB, 7th September 1956.
- (93) 'Carry out in accordance with the facts the guideline for all-round development of agricultural production', NFRB, 15th November 1956.
- (94) A more detailed account of the pace of agricultural development after 1949 is available for neighbouring Hunan province. Overall growth rate of agricultural production from 1952 to 1957 was about 4.9 per cent per annum (compound average). However, this overall figure conceals big fluctuations. The impact of severe drought in 1954 and severe flooding in 1956 can be seen in the downturn in the total value of output from the farm sector in each of these years. However, on looking at individual sectors within overall farm production it becomes clear that more complex factors are also at work, of particular interest are the decline in the total value of forestry production from 1952 through to 1954, the decline in animal husbandry production from 1952 right through to 1955, and the neglect of sideline production during collectivisation, so that even after the recovery of 1957 its total value still was below that of 1955.

Hunan province: Gross value of agricultural output (Unit: m.yuan)

Sector	1949	1950	1951	1952	1953	1954	1955	1956	1957
Agriculture and sideline	1584.2	1917.5	2190.8	2657.3	2659.3	2439.2	2889.5	2815.1	3380.8
Agriculture	1204.5	1408.5	1565.3	1872.3	1869.9	1659.3	1998.7	1878.1	2114.3
Forestry	24.6	29.7	36.3	47.2	37.6	37.5	57.3	83.8	119.7
Animal husbandry	142.0	170.4	236.9	311.2	296.9	276.2	236.7	283.2	539.0
Fishing	3.2	4.1	4.1	6.7	9.8	9.5	11.9	11.0	28.3
Sideline	210.0	304.8	348.2	419.9	445.1	456.7	584.9	559.0	579.6

Source: Hunan Agriculture, pp. 85-6.

Notes: No indication given of whether prices are constant or current.

The value of farm output per capita of the whole Hunan population changed in the following fashion: (Unit: yuan)

1952 = 81.2, 1953 = 80.0, 1954 = 71.8, 1955 = 84.0, 1956 = 80.3, 1957 = 95 (approx.). (Calculated from *ibid.*, pp. 85-6, and p. 93.)

- (95) It is, of course, theoretically possible that capital goods too could be transferred from countryside to city, but the degree to which this occurred in China in the 1950's was negligible. Even in the 1960's and 1970's with the development of a modern small-scale sector producing capital goods in the rural areas, it seems not unlikely that a significant flow of such commodities into the urban areas has occurred.
- (96) On the importance of the marketable surplus from agriculture in the early stages of 'modern' economic development see especially M. Dobb, Capitalism Development and Planning, New York: International Publishers, 1967, 'Some problems of industrialisation in agricultural countries'.
- (97) Ishikawa estimates that in 1954, 92 per cent of the total value of the agricultural tax came from grain 5.3 per cent from cotton, and the remainder from other items (S. Ishikawa, 'Resource flow between agriculture and industry', D.E. March 1967, No. 1, p. 35).
- (98) Ji Jin-zhang, 'Report on the final accounts for 1956 and the draft budget for 1957', NFRB, 27th July 1957. It seems likely that these data are in current prices, i.e. that a portion of the increase was due to the rise in the state purchasing price for agricultural commodities. (See Appendix B, Table 21).
- (99) Chen, Chinese Economic Statistics, pp. 466-7.
- (100) Nationally, the contribution of agricultural taxes to total state revenues declined in the following way: 1950 = 29.3%, 1951 = 16.7%, 1952 = 15.4%, 1953 = 12.5%, 1957 = 9.6% (*ibid.*, p. 441).
- (101) On the impact of the Chinese land reform on the marketable ratio of foodgrains see Ishikawa, 'Resource Flow ...', pp. 28-9, and Table 10, p. 45.
- (102) The argument that the income elasticity of demand for food consumption was high in the Chinese countryside in the 1950's is explored in detail in *ibid.*, Section 3. The basis of Ishikawa's argument is the still low level of income and consumption in the countryside in the 1950's: '... we think it cannot be denied that the food consumption of the 1956-57 level still remained close to the minimum consumption level' (*ibid.*, p. 27). See Chapter 1 of this essay for confirmation of this view.

- (103) See P. Nolan, 'Collectivisation in China: Some Comparison with the USSR', in JPS, Vol. 3, No. 2, January 1976.
- (104) As planned purchase and supply of cotton cloth was introduced in Guangdong in September 1954, planned purchase and supply of edible oil and oil-bearing crops had already been introduced in the province by that date ('Support the planned purchase and supply of cotton cloth', NFRB, 15th September 1954).
- (105) Ishikawa, 'Resource Flow ...', p. 7.
- (106) *ibid.*
- (107) Gu Da-cun, 'Guangdong People's Government Work Report', NFRB, 7th February 1955.
- (108) Ishikawa, 'Resource Flow ...', p. 7.
- (109) *ibid.*, pp. 7-8.
- (110) *ibid.*, p. 8.
- (111) *ibid.*, pp. 32-3.
- (112) The proportions of state procurement in total grain marketings were: 1951/2 = 72.5%, 1952/3 = 81.8%, 1953/4 = 92.4%, 1954/5 = 96.5%, 1955/6 = 93.5%, 1956/7 = 90.7%, 1957/8 = 100%, 1958/9 = 100% (A. Eckstein, China's Economic Revolution, Cambridge: Cambridge University Press, 1977, p. 117).
- (113) See for example (i) Zhong Shan district, 'Questions ...'; (ii) Gu Da-cun, 'Work Report ...'; (iii) 'An explanation of the grain policy: only buy surplus grain, don't buy grain for personal consumption', NFRB, 16th July 1955; (iv) 'Questions concerning the development of Agricultural production ...'.
- (114) Mao, 'On the Ten Major Relationships ...', p. 290.
- (115) People engaged in non-agricultural occupations but living in the countryside amounted to roughly 1½ million in Guangdong in the mid-1950's (Appendix B, Table 34, col.'s (ix)-(x)). Assuming an average per capita grain consumption of about 500 jin their total consumption amounts to roughly one-fifth of total re-sales to the rural areas. About seven million peasants were said to live in grain-deficit areas of Guangdong in the 1950's. (Yang Meng, 'Is the rural population's grain consumption ...'.) On the assumption that supplies to them averaged about 100-150 jin per capita per annum, they consumed about one-quarter of total grain re-sold to the countryside.
- (116) D.H. Perkins, Market Control and Planning in Communist China, Cambridge, Mass.: Harvard University Press, 1966, pp. 51-2.
- (117) Ishikawa, 'Resource Flow ...', pp. 32-3.
- (118) Xie Nan-shi, 'Are the prices of agricultural goods too low, and the prices of industrial goods too high?', NFRB, 15th October 1957.
- (119) Guangdong CCP, 'Correctly understand the relationship ...'. The criticism of such people put forward in this article is interesting: "They fail to realise that the relative cheapness of certain industrial commodities before Liberation for the most part was due to the 'dumping' of commodities by the imperialist countries in China. In order to obtain these commodities, the reactionary rulers - especially the Guomindang reactionary party - caused our country

to politically and economically lose a great many sovereignties and advantages, and suffer the imperialist countries' exploitation and oppression. All patriotic people must realise that at that time, while from an individual point of view, certain industrial commodities they bought might be a few dimes or cents cheaper, from the concrete standpoint of the whole country's sovereignty and advantage this loss cannot be calculated in several hundreds of millions of yuan."

- (120) Ishikawa, 'Resource Flow ...', p. 39. Ishikawa shows that the resource outflow declined steadily during this period (ibid.). He also shows that measured in 1952 prices there was a reversal of the net resource flow during the First Five Year Plan period (ibid.).

- (121) Over the whole of China the terms of trade between agricultural and industrial commodities have changed in the following fashion:- index of agricultural commodity prices (base year 1952 = 100) in 1977 stood at 168.8; index of retail prices of agricultural machinery, chemical fertiliser, and pesticide (base year 1952 = 100) in 1977 stood at 52; the index of agricultural prices divided by the index of industrial commodity price for all industrial commodities sold to the peasantry (base year 1952 = 100) stood at 170 in 1977 (i.e. an equal amount of farm products could buy 70 per cent more industrial commodities in 1977 compared to 1952). As the index of agricultural prices divided by the index of the main industrial inputs to agriculture stood at 324.6 in 1977 (base year 1952 = 100), it seems reasonable to conclude that the main channel of improvement to the rural/urban terms of trade in the long-run has come from changes in the price of industrial inputs rather than industrial consumer goods. (Zhu Wei-wen, 'With great effort organise the exchange of industrial and agricultural commodities', JJYJ, 1979, No. 4, p. 79).

- (122) In 1955 the proportion of total sales of non-farm products sold in the rural areas (excluding semi-processed farm products) was as follows:-

Cotton cloth	=	32.3%	Kerosene	=	4.4%
Edible oils	=	8.0%	Producer goods	=	19.7%
Sugar	=	5.0%	Others	=	25.0%
Salt	=	5.9%			

Source: Perkins, Agricultural Development, p. 125.

- (123) Guangdong CCP, 'Correctly understand the relationship ...'.
 (124) ibid.
 (125) ibid.
 (126) T.L. Liu and K.C. Yeh, The Economy of the Chinese Mainland, Princeton: Princeton University Press, 1965.
 (127) K.C. Yeh, 'Capital Formation', in Eckstein, et al., Economic Trends, p. 540.

- (128) Deng Zi-hui, 'The APC's internal contradictions and democratic management', XHBYK, No. 11, 1957. Of the administrative committees he had this to say: 'productive plans, technical measures, work norms and fiscal work were subject to too minute and rigid control, and the production brigades lacking power of manoeuvre, could not act with experience according to time and locality and as a result the activity of the production brigade and their members could not be brought into play.'
- (129) Statistical Work Information Data House, 'Survey data on the distribution of co-operative income in 1955', XHBYK, No. 24, 1956.
- (130) Deng Zi-hui, 'The situation of the past year's agricultural co-operativisation movement and the future tasks', XHBYK, No. 14, 1956.
- (131) The CCP Central Committee in 1956 noted: 'Where the co-op structure is too big and there are too many cadres, the subsidy of workpoints is excessive, and the subsidy to unproductive cadre work is very great. Viewed in isolation the compensation for each cadre is not too high but from the point of view of the total subsidy of the village cadres, the amount really is not small'. (Central Committee of the CCP, 'Directive concerning some concrete question about the distribution of the autumn harvest in the APC's', XHBYK, No. 24, 1956).
- (132) Walker, 'Organisation of agricultural production ...', p. 427.
- (133) See, for example, Guangdong CCP Committee, 'Directive on carrying out well the work of end-of-year income distribution in the APC's', NFRB, 4th November 1956.
- (134) See Table 1.1.
- (135) Statistical Investigation, 'Investigatory materials on distribution of income in 228 agricultural co-operatives ...'.
- (136) 'The question of the standard of living of the people in our province', AHRB, 29th September 1957.
- (137) See Table 1.5. In Jilin province in 1956, non-commodity expenditure amounted to 5.07 per cent of total peasant per capita livelihood expenditure (Jilin Provincial Statistical Bureau, 'A Comparison of the living standards of workers and peasants in Jilin province before and after liberation', TJGZ, No. 14, 1957).
- (138) R.F. Price, Education in Communist China, London: Routledge and Kegan Paul, 1975, p. 203. A CCP and State Council directive of March 1956 announced the aim of wiping out 'word-blindness' within five to seven years.
- (139) Derived from Appendix B, Table 41, and Aird, 'Population Growth in the People's Republic of China', pp. 469 and 472. The extreme assumption was made that no people outside the working age group attended abolish illiteracy classes, though this is not far from reality since the major focus of the attempt to abolish illiteracy at this time was indeed the young working people (See I. and D. Crook, The First Years of Yangyi Commune, London: Routledge and Kegan Paul, 1966, pp. 178-180).
- (140) L.A. Orleans notes: 'Until 1958, for all practical purposes, there were no middle schools (i.e. secondary schools) in the Chinese countryside.' (Quoted in Price, Education in Communist China, p. 112.)

- (141) Appendix B, Table 41 provides tentative indications of this (Guangzhou had only around 6-7 per cent of the total number of school enrollments in the mid-1950's).
- (142) Liang Ren-cai, Economic Geography of Guangdong, p. 17.
- (143) See Price, Education in Communist China, p. 113, and J. Gardner and W. Idema, 'China's Educational Revolution', in S. Schram (ed.), Authority, Participation and Cultural Change in China, Cambridge: Cambridge University Press, 1973, p. 264.
- (144) Gardner and Idema, 'China's Educational Revolution', p. 264.
- (145) Price, Education in Communist China, p. 108.
- (146) I. and D. Crook, The First Years of Yangyi Commune, London: Routledge and Kegan Paul, 1966, pp. 167-8.
- (147) Gardner and Idem , 'China's Educational Revolution', pp. 263-4.
- (148) *ibid.*, p. 272. See also J. Myrdal, Report from a Chinese Village, Harmondsworth: Penguin Books, 1967, pp. 375-6.
- (149) Model Regulations for Advanced Agricultural Producer Co-operatives, Article 52.
- (150) See, for example, Crook, The First Years of Yangyi Commune, Ch. 15, and Myrdal, Report from a Chinese Village, Part 11.

Chapter 3. Notes

- (1) See, for example (i) Fang Lie and Huang Hua-qiang, 'A discussion about some questions concerning the peasants' living standards', NFRB, 13th April 1957; (ii) Xi Si, 'A discussion about the living standards of workers and peasants', NFRB, 24th May 1957; (iii) 'Consider carefully the true facts about the living standards of the workers and peasants; strive to consolidate the worker peasant alliance', NFRB, 25th October 1957; (iv) Lin Cheng-bo, 'How do we work at the question of the peasants' living standard at the present time?', NFRB, 9th October 1957; (v) Chen Liu, 'The way in which the question of the supply of goods to town and countryside should be considered,' NFRB, 12th October 1957. Not all of these articles were directly critical of the existing state of urban-rural real income differentials, but they all refer to such criticisms.
- (2) Xi Si, 'A discussion ...'
- (3) See D.M. Lampton, The Politics of Medicine in China, Folkestone: Dawson, 1977, pp. 80-1.
- (4) Fang Lie and Huang Hua-qiang, 'A discussion ...'
- (5) L.A. Orleans, Every Fifth Child, London: Eyre Methuen, 1972, p. 62.
- (6) In Guangdong, it was planned to shift about 20,000 people out of Guangzhou in 1956-7, either back to their native villages or else to settle in Hainan or West Guangdong (Zhu Guang, 'Resolutely struggle to complete our tasks in the state's First Five Year Plan', NFRB, 6th December 1955). See also Orleans, Every Fifth Child, p. 64.
- (7) See Fang Lie and Huang Hua-qiang, 'A discussion ...'
- (8) See, for example, J.S. Prybla, The Chinese Economy, Columbia: University of South Carolina Press, 1978, pp. 20-21.
- (9) Lampton, The Politics of Medicine in China, p. 82.
- (10) For a discussion see Orleans, Every Fifth Child, pp. 64-5.
- (11) Chen Zhi-fang, 'Mobilise the surplus labour power and the rural population which has flowed into the cities to return to production in the villages; control the blind influx of people from every area into Guangzhou municipality', NFRB, 13th December 1955.
- (12) Zhu Guang, 'Resolutely struggle ...'
- (13) Chen Zhi-fang, 'Mobilise the surplus labour ...'
- (14) Xi Si, 'A discussion ...'
- (15) Derived from Appendix C, Table 36 and J.S. Aird, 'Population Growth in the People's Republic of China', in U.S. Congress Joint Economic Committee, Chinese Economy Post-Mao, Washington D.C.: U.S. Government Printing Office, 1978, pp. 468 and 472.

- (16) Tao Zhu, 'Work Report for Guangdong People's Council', NFRB, 26th July 1957.
- (17) Derived from *ibid.*, and (i) Zhang Yong-li, 'Report on the 1954 final accounts and the 1955 budget for Guangdong', NFRB, 3rd December 1955; (ii) Ji Jin-Zhang, 'Report on the final accounts for 1955 and estimates for 1956 for Guangdong province', NFRB, 5th August 1956; (iii) Ji Jin-zhang, 'Report on the final accounts for 1956, and draft of the 1957 budget for Guangdong province', NFRB, 27th July 1957.
- (18) Chen Zhi-fang, 'Mobilise the surplus labour ...'
- (19) C. Howe, Wage Pattern and Wage Policy in Modern China, 1919-1972, Cambridge: Cambridge University Press, 1973, p. 30.
- (20) *ibid.*
- (21) *ibid.*, p. 36.
- (22) State Statistical Bureau, Data Collection Office, 'How can it be said that the people's living standard has fallen?' TJGZ, 1957, No. 13.
- (23) Henan Statistical Bureau, 'The living standard of workers and peasants have both risen, and the gap between them is not great', HNRB, 27th September 1957.
- (24) Howe, Wage Pattern and Wage Policy, p. 38.
- (25) *ibid.*, p. 40. It is worth noting that the actual earnings differentials reported for Guangzhou in the mid-1950's are considerably less than these (see Table 3.2).
- (26) *ibid.*, p. 127.
- (27) 'Is the difference between the living standards of the workers and peasants very great?', NFRB, 10th October 1957. During the First Five Year Plan it was reported: 'A group of peasants were recruited from the countryside as capital construction workers in the cities. These peasants got 30-40 yuan, even 50-60 yuan per month and sent money to their native places. Their life was suddenly improved. The political-ideological work was inadequate at the work sites, and these workers, on returning to their native places boasted of their well-to-do life, causing envy and discontent among the peasants in their native places.' (He Wei, 'Take a correct view of the peasants' living standard', XX, No. 8, 18th April 1957.
- (28) Liang Ren-cai, Huang Mian, and Shen Wei-cheng, Economic Geography of South China (Hua-nan di-qu jing-ji di-li) Beijing: Ke-xue chu-ban-she, 1959, Translated in JPRS, No. 14,954; p. 19.
- (29) In Xin Hui xian in Guangdong province the workers in a wooden agricultural implement co-op were able to earn 100 yuan per capita per month in the busy season but incomes fell off to around 20 yuan per month over the rest of the year (Hua Wen and Yang Meng, 'A discussion about the living standard of handicraft industry workers and of the peasants', NFRB, 27th October 1957).

- (30) 'Urban Collective Economy: Develop or Eliminate It?', BR, No. 35, 31st August 1979, p. 13.
- (31) *ibid.*
- (32) Throughout the whole country there were eleven such grades though all the state rural workers in Guangdong came within grades 5 to 11 ('This year the average level of wage increases by 15.5 per cent in relation to 1955', NFRB, 9th August 1956).
- (33) Jiangsu Labour Department, Wages Investigation Group, 'Preliminary investigation and research concerning the level of livelihood of workers and peasants in Jiangsu province', LD, 1957, No. 21.
- (34) *ibid.*
- (35) Tao Zhu, 'Work Report ...' The figures are as follows for the whole province:-

Average wages per worker (unit: yuan per month)

	1949	1952	1956	
			Pre-wage Reform	Post-wage Reform
(1) Staff and workers in state- and locally-managed industrial and mining enterprises.	26.9	27.0	49.1	55.6
(2) Middle-school teachers	n.a.	54.0	61.7	69.7
(36) See especially (i) M. Lipton, <u>Why Poor People Stay Poor</u> , London: Temple Smith, 1977, Ch. 5; and (ii) J.B. Knight, 'Measuring Rural-Urban Income Differentials', Proceedings of a Conference on Urban Unemployment in Africa, Institute of Development Studies', Mimeo, September 1973.				
(37) Knight, 'Measuring Rural Urban Income Differentials'.				
(38) Tao Zhu, 'Work Report ...' The average income of Guangdong's staff and workers for the whole of 1956 was given in a different source as 748 yuan (i.e. 62 yuan per month) (Guangdong CCP Committee Propaganda Department. 'Correctly understand the relationship between the workers and the peasants; develop the consolidation of the worker-peasant alliance', NFRB, 28th August 1957), and in yet another as 768 yuan (Xi Si, 'A discussion ...').				
(39) 'Is the difference ...' The figure is from a survey of 609 APC's in a variety of areas; it relates to earnings from collective sources only, but includes income both in cash and in kind.				
(40) See Howe, Wage Pattern and Wage Policy, pp. 121-7, for a discussion of extra-wage income. A national estimate of 1956 reported that extra-wage payments (including enterprise bonuses, rent subsidy, and travel subsidy) amounted to fourteen per cent of the total wage of staff and workers (Xu Gang, 'Haven't the living standards of peasants and 'staff and workers' over the whole country improved since Liberation.', DGB (Beijing) 9th August 1957).				

- (41) Usually amounting, where applicable, to a 100 per cent subsidy of medical expenses for workers themselves and a 50 per cent subsidy for their dependents (Chen Yu, 'Glorious Guangdong Industry', NFRB, 1st October 1959).
- (42) It was reported that 0.4 m. staff and workers were covered by labour insurance and public medical care in 1957 (Chen Yu, 'Welcoming the general line's red flag, struggling for a new great victory', NFRB, 12th October 1959). The total numbers of staff and workers in the province was 1.107m. in 1959 (June) (Chen Yu, 'Glorious Guangdong Industry'). The apparently somewhat broader category of 'staff and workers coming within the state plan' amounted to 1.422 m. in 1957 and 1.768 m. in 1958 ('Report on the development of the national economy in Guangdong', NFRB, 3rd October 1959). The national proportions of staff and workers receiving free medical care and labour insurance were as follows:-

	Unit	1952	1956
Free medical care	(%)	25.3	27.4
Labour insurance	(%)	20.8	30.6
No. of staff and employees	(m)	15.8	24.2

Source: Xu, Gang, 'Haven't the living standards of peasants and 'staff and employees' ...'

- (43) Lampton suggests that a maximum of 25 per cent of China's city dwellers were entitled to free medical care in the mid-1950's (Lampton, The Politics of Medicine in China, p. 82).
- (44) Materials Department, 'A comparison ...'
- (45) Staff and workers were able to retire at aged 60 for men and 50 for women and receive a state pension (Chen Yu, 'Glorious Guangdong Industry').
- (46) Howe, Wages and Wage Policy, p. 126.
- (47) Materials Department, 'A comparison ...'
- (48) *ibid.*
- (49) Howe suggests that a figure of approximately this size was common in the late 1950's (Howe Wages and Wage Policy, p. 126). It was reported in Guangdong that total welfare benefits and subsidies for staff and workers came to 270 m. yuan between 1952 and 1957 (Chen Yu, 'Glorious Guangdong Industry'). The total number of staff and workers in the province was said to have risen from 0.15 m. in 1949 to 1.107 m. in 1959 (*ibid.*) amounting to roughly 0.5 - 0.6 m. in the mid-1950's. Average wages of staff and workers in the province stood at 589 yuan in 1956 prior to the wage reform and 667 yuan in 1956 after the reform (Tao Zhu, 'Work Report ...').
- (50) 'Is the difference ...' The 609 APC's were said to be selected from some that had experienced an increase, some stable, and some a fall in output in 1955-6, and from a representative variety of geographical areas. Average net income per household from the APC came to 250.2 yuan in 1956 (on the assumption of 1.8 workers per household) and private sideline net income came to 37.5 yuan, giving a total of 287.7 yuan.

- (51) Statistical Investigation Publishing House, 'Investigatory Materials on the distribution of income in 228 agricultural co-operatives in 1957', XHBYK, No. 18, 1958. 107 APC's were from South China.
- (52) Xu Gang, 'Several ways of looking at the comparison of workers' and peasants' incomes', TJGZ, 1957, No. 10.
- (53) Jilin Provincial Statistical Bureau, 'A Comparison of the living standards of workers and peasants in Jilin province before and after liberation', TJGZ, 1957, No. 14.
- (54) On account mainly of the tendency for migrants to urban areas to be concentrated among the younger portion of the population with smaller average household size.
- (55) In most data on rural worker-dependent ratios 'semi-labour powers', such as these categories usually were converted to their equivalent in 'full labour powers'. A study of eleven APC's in Guangdong in 1956 showed that the 'semi-labour powers' came to 11.0 per cent of the total number of 'full labour powers' after the 'semi-labour powers' had been converted to their equivalent in 'full labour powers' (Peng Xiao-fan, 'One cannot speak nonsense ...').
- (56) Jiangsu Labour Department, 'Preliminary investigation ...'
- (57) State Statistical Bureau, 'How can it be said ...'
- (58) Fang Lie and Huang Hua-qiang, 'A discussion ...'
- (59) See especially (i) Knight, 'Measuring rural-urban income differentials'; (ii) Lipton, Why Poor People Stay Poor, Chapter 5.
- (60) See D.H. Perkins, Market Control and Planning in Communist China, Cambridge, Mass.: Harvard University Press, 1966, pp. 48-52, on rationing of grain in the countryside. There is some dispute about the date of introduction of grain rationing in the cities. Perkin's says that it was not began there until August 1955 (ibid., p. 183). Another author, however, says that from November 1953 ordinary residents in the cities were issued with purchase coupons or temporarily relied on identity cards for foodgrain supply (Cheng Chu-yuan, Income and Standard of Living in Mainland China, Hong Kong: Union Research Institute, 1957, p. 352). In the rural areas prior to collectivisation, rationing of grain was exercised by controlling the amount retained by peasant households after agricultural tax and compulsory purchase levies. After the formation of APC's grain was distributed to member households partially in accordance with family size and age structure, and partially in accordance with workpoints earned in collective labour. If the grain ration 'according to need' (family size and age structure) exceeded the total of a particular household, then the household became indebted to the APC for the value of the excess grain. Thus, the method of rationing grain in the rural areas was different from that for non-grain items. In the cities grain rations usually were purchased with coupons.

- (61) State procurement (tax plus state purchases) have been estimated to comprise the following proportions of total marketing of food-grains in China:- 1951/2 = 72.5%, 1952/3 = 81.8%, 1953/4 = 92.4%, 1954/5 = 96.5%, 1955/6 = 93.5%, 1956/7 = 90.7%, 1957/8 = 100% (A. Eckstein, China's Economic Revolution, Cambridge: Cambridge University Press, 1977, p. 117).
- (62) Xi Yi-yue, 'A report on a survey of the food ration in Guangzhou', Liang-shi (Grain), 1957, No. 6, translated in ECMM, No. 97, 1957.
- (63) Vegetable supplies in the cities in the mid-1950's were said to have been rationed in fact, even though formal directives had not been issued (Cheng Chu-yuan, Income and Standard of Living, p. 354).
- (64) Perkins, Market Control, p. 190.
- (65) Editorial, 'Carry out well the work of edible oil and sugar supply', NFRB, 4th March 1955.
- (66) *ibid.* These are the points at which rationing of edible oil and sugar were introduced in Guangdong province. The date of their introduction in other provinces may have been slightly different.
- (67) Perkins, Market Control, p. 187.
- (68) Buyers of bicycles and radios, for example, had to put their name on a waiting list for several months before receiving delivery (*ibid.*, p. 191).
- (69) Xu Gang, 'Haven't the living standards ...'
- (70) *ibid.*
- (71) Perkins, Market Control, pp. 181-7.
- (72) For a discussion of the way in which this system operates in the 1970's see Chapter 2, footnote 53.
- (73) This is clear, for example, from the case of No. 1 higher-stage APC in Zhong Lian xiang, Zi Jin xian, in Guangdong province. The supply norms for the village of 250 households (1234 people) for January to April 1957 were: edible oil = 725.5 jin; pork = 1242 jin; cotton cloth = 1061 zhang. Actual retail sales for the same period were: edible oil = 463 jin; pork = 858 jin; cotton cloth = 1048 zhang. The article reporting this noted that only a small number of well-to-do peasants did not have sufficient supply vouchers to meet their demands ('Correctly understood the phenomenon of pork supplies inadequacy', NFRB, 5th June 1954).
- (74) Guangdong People's Council, 'On the way to carry out planned supply of edible oil and sugar', NFRB, 4th March, 1955
- (75) Donnithorne notes: '... it is by no means always necessary to contravene the law in order to get more supplies of rationed commodities. For some things differential pricing has been used - a low fixed price for quantities obtainable on ration, with more available at higher prices or on the free market.' (A. Donnithorne, China's Economic System, London: Allen and Unwin, 1967, p. 311).

Supplies of rationed goods were set at different levels for different categories of urban residents - heavy, medium and light workers, higher and other intellectuals, office employees, students, children and non-producers'. Heavy and medium workers had the highest rations, followed by intellectuals and students (ibid.).

- (76) Amount of meat, poultry, and fish products, and cotton consumed by staff and workers at different income levels, 1956

Income per capita (yuan)	Meat, poultry, fish products (jin per capita)	Cotton cloth (chi per capita)
> 330	53.9	66.5
230 - 350	37.9	45.2
170 - 230	29.5	40.1
110 - 170	22.6	26.9
80 - 110	17.0	21.4
< 80	11.6	19.6

Source: ZYHXTX, 11th February 1959, quoted in Chen, Nai Ruenn Chinese Economic Statistics, p. 439.

- (77) (i) Zhou Jing-yu, 'Who says ...'; (ii) Xu Gang, 'Haven't the living standards ...'
- (78) Tao Zhu, 'Welcoming the great achievements ...'
- (79) Appendix B, Table 41.
- (80) ibid.
- (81) ibid.
- (82) In 1957 there were 77 people per middle school student compared to 21 per middle school student in Haikou municipality and 24 in Guangzhou municipality in 1959 (ibid.).
- (83) Gardner and Idema suggest that in the 1950's tertiary level education even more than other branches of education 'remained unduly concentrated in the big cities' (J. Gardner and W. Idema, 'China's Educational Revolution', in S. Schram (ed.) Authority, Participation and Cultural Change in China, Cambridge: Cambridge University Press, 1973, p. 257).
- (84) The numbers of sick beds in Guangdong in 1955 was 19,500 and the number of hospitals was 72 ('Report on the development of the national economy and the carrying out of the state plan in Guangdong', NFRB, 5/10/55). In 1954 Guangzhou alone had 17 hospitals and 3,399 sick beds (Zhu Guang, 'Resolutely struggle ...'). The population of Guangdong was 35.6 m. in 1954, and 36.4 m. in 1955 (Appendix B, Table 34). The population of Guangzhou was 1.6 m. in 1954 and 1.7 m. in 1955 (Appendix C, Table 36).
- (85) Chen Yu, 'Glorious Guangdong Industry'.

- (86) First Five Year Plan for Development of the National Economy of the People's Republic of China in 1953-1957, Peking: Foreign Languages Press, 1956.
- (87) *ibid.*, p. 193
- (88) *ibid.*
- (89) *ibid.*, p. 194
- (90) *ibid.*, p. 196
- (91) Mao Tse-tung (Mao Ze-dong) 'On the Ten Major Relationships', in Mao, Selected Works, Vol. 5, p. 292.
- (92) Changes in per capita income of peasants, and staff and workers, Jiangsu province (a)

	Unit	1952	1953	1954	1955	1956
Staff and workers (b)	yuan	160.2	170.6	172.3	169.3	187.6
	index	100	106.5	107.6	105.7	117.1
Peasants	yuan	87.6	91.3	90.6	113.8	86.4
	index	100	104.2	103.4	129.9	98.6
Peasants as % of staff and workers	%	54.7	53.5	52.6	67.2	46.1
Urban-rural gap	yuan	72.6	79.3	81.7	55.5	101.2

Source: Jiangsu Labour Department, 'Preliminary investigation ...'

- Notes: (a) At current prices. In constant prices the income of staff and workers in 1956 is only 7.22 per cent above that for 1952.
- (b) Excludes labour insurance, welfare, medical expenditure, and trade union expenses, which ^{costs} to approximately 12 per cent of the figure for wages.

Income (shou-ru) and expenditure (zhi-chu) of peasants and 'staff and workers' in Jilin province. (Unit: yuan per capita, constant 1952 prices)

Income		1941	1952	1955	1956
Staff and workers	yuan	105	146	158	173
	index	72	100	108	118
Peasants	yuan	51	82	77	76
	index	62	100	94	93
Peasants as % of staff and workers		48.6	56.2	48.7	43.9
Urban-rural gap	yuan	54	64	81	97
Expenditure					
Staff and workers	yuan	104	145	157	168
	index	72	100	108	116
Peasants	yuan	53	75	76	75
	index	71	100	101	100
Peasants as % of staff and workers		51	52	48	45
Urban-rural gap	yuan	51	70	81	93

Source: Jilin Statistical Bureau, 'A comparison of the living standard ...'

- (93) See previous footnote.

- (94) The average annual wage of workers and staff over the whole of China increased by 89 per cent from 1949 to 1953 (Howe, Wage Pattern and Wage Policy, p. 31).
- (95) Derived from Table 3.20 and the retail price index for eight major cities given in State Statistical Bureau, Ten Great Years, p. 123.
- (96) This 'in turn was related to the uneven distribution of wage increases within the plan period'. (Howe, Wage Patterns and Wage Policy, p. 61.)
- (97) See footnote 92.
- (98) Guangdong CCP, 'Correctly understand the relationship ...'
- (99) Xie Nan-shi, 'Are the prices of agricultural goods too low, and the prices of industrial goods too high?', NFRB, 15th October 1957. 'After co-operativisation ... due to intensive cultivation a great expenditure on labour, a great level of productive investment, and an increase in costs, there was not a corresponding rise in income at once. In order to adjust to this situation and pay attention to the needs of the peasants since the provincial party congress and people's congress of last year /1956/ the whole province has upwardly adjusted the purchase price on 99 agricultural and sideline commodities'. (ibid.)
- (100) See Table 2.7
- (101) As early as April 1957 it was noted by He Wei: 'Some people have recently reported that the life of peasants is hard, particularly compared with the life of workers and cadres, and have demanded rapid improvement in the living standard of the peasants. Among those who have made such statements are personnel of state organs and people's organisations, party people (including CCP members) and, in particular, APC officials and peasants' (He Wei, 'Take a correct view ...').
- (102) Rao Wen, 'Why is there a difference ...'
- (103) 'Consider carefully the true facts ...'
- (104) Zhao Xue, 'Who leads who?', NFRB, 6th November 1957.
- (105) With the sole exception of the Great Leap Forward period (1958-9) this has been true right through to the present day. Throughout the 1960's and 1970's the basic unit of agricultural ownership and income distribution has been the production team rather than the brigade or people's commune (the production team is a constituent part of the brigade, and the brigade is a constituent part of the commune).
- (106) Zhao Xue, 'Who leads who?'
- (107) ibid.
- (108) Chang Chun-chiao /Zhang Qun-qiao/, On exercising all-round dictatorship over the bourgeoisie, Peking: Foreign Languages Press, 1975, pp. 22-3. See also Zhao Xue, 'Who leads who?'
- (109) Zhao Xue, 'Who leads who?'

(110) *ibid.*

(111) Even the state constitution of the 'Gang of Four' period, when the stress on the positive virtues of the peasantry was strongest, stated: 'The People's Republic of China is a socialist state of the dictatorship of the proletariat led by the working class and based on the alliance of workers and peasants ... The Communist Party of China is the core of leadership of the whole Chinese people. The working class exercises leadership over the state through its vanguard the Communist Party of China.' (The Constitution of the People's Republic of China, adopted 17th January 1975, in Documents of the First Session of the Fourth National People's Congress of the People's Republic of China, Peking: Foreign Languages Press, 1975, p. 11).

(112) Zhao Xue, 'Who leads who?'

(113) K. Marx, Critique of the Gotha Programme, Peking: Foreign Languages Press, 1972.

(114) *ibid.*

(115) *ibid.*

(116) *ibid.*

(117) *ibid.*

(118) This appears to be what Mao had in mind in 1958: 'In the future when social products have become abundant, and low wages have increased so that they have fully approached [high wages] then we will have entered communism. In respect to the so-called question "to each according to their labour" and "to each according to their needs", how should we equalise? It goes from low to high (you xia chang shang qu). (Mao Ze-dong, 'Discussions with directors of various co-operative areas', (November-December 1958) in Long live the thought of Mao Ze-dong (Mao Ze-dong si-xiang wan-sui) August 1969, mimeographed).

(119) Fang Lie and Huang Hua-qiang, 'A discussion ...'

(120) Chen Liu, 'The way in which ...'

(121) Fang Lie and Huang Hua-qiang, 'A discussion ...'

(122) Chen Liu, 'The way in which ...'

(123) Mao himself noted in 1957: 'It is not right simply to compare a peasant's annual income with a worker's and jump to the conclusion that one is too low and the other too high. Since the labour productivity of the workers is much higher than that of the peasants and the latter's cost of living is much lower than that of the workers in the cities, the workers cannot be said to have received special favours from the state'. (Mao Ze-dong, 'On the correct handling of contradictions among the people', (27th February 1957) in Mao Tse-tung (Mao Ze-dong) Selected Works of Mao Tse-tung, Vol. 5, Beijing: Foreign Languages Press, 1977, p. 402). The same argument (higher urban labour productivity) was used on many occasions to justify the higher urban living standards (see, for example: (1) Jiangsu Labour Department, 'Preliminary investigation ...'; (2) Rao Wen, 'Why is there a difference ...'; (3) Jilin Statistical Bureau, 'A comparison ...'; (4) Li Yi-wei and Na Yi-shi, 'The difference between the livelihoods ...'; (5) 'The question of the living standard of the people in our province', AHRB, 29th September 1957; (6) Editorial, '(The gap) between workers and peasants', NFRB, 13th June 1964).

- (124) Fang Lie and Huang Hua-qiang, 'A discussion ...'
- (125) Rao Wen, 'Why is there a difference ...'
- (126) 'The question of the standard of living ...' The comparable figures for gross output value were 10,135 yuan and 197 yuan (ibid.).
- (127) Editorial, '(The gap) between workers and peasants'.
- (128) ibid.
- (129) See, for example, (1) ibid.; and (2) Jiangsu Labour Department, 'Preliminary investigation ...'
- (130) Xu Fang, 'The truth about the difference between workers and peasants must not be distorted', NFRB, 29th October 1964.
- (131) See, for example, (i) Editorial, '(The gap) between workers and peasants', and (ii) Rao Wen, 'Why is there a difference ...'
- (132) Rao Wen, 'Why is there a difference ...'
- (133) See, for example, ibid.
- (134) 'Consider carefully the true facts ...'
- (135) ibid.
- (136) ibid. See also a discussion comparing work in the fields with work in a chemical factory in Xing Ning xian in Guangdong province. A group of peasants and party cadres from Da Ping RPC's Ge Chi PB were taken on a tour of the Xing Ning xian chemical factory. They apparently visited the sulphuric acid workshop and became aware of the hard conditions under which industrial workers labour - fumes from the sulphuric acid and hard physical labour under extremely hot conditions. In this way apparently they came to understand that 'not only do industrial workers have a high degree of skill but also their labour is very tough'. (Editorial, '(The gap) between workers and peasants'.)
- (137) See, for example, Lipton, Why Poor People Stay Poor, Ch. 5.

- (1) For a useful discussion see R.L. Cohen, The Economics of Agriculture, Cambridge: Cambridge University Press, 1951, Ch. 3, 'Diminishing Returns and Location of Agriculture'.
- (2) In a province such as Guangdong, for example, the mobility of rural population has been greatly affected by the power of clan networks, so that villages or groups of villages were able in both formal and informal ways to retain superior resource allocation.
- (3) Possible permutations of influence here are extremely complex (see especially, (i) A. Marshall, Principles of Economics, London: Macmillan, 1930, pp. 144-167 and Ch. 9 ('Rent of Land'), and (ii) Cohen, The Economics of Agriculture, Ch. 3).
- (4) See especially (i) D. Ricardo, On the Principles of Political Economy and Taxation, Pelican edition, Harmondsworth: Penguin, 1971, Chapter 2 'Rent'; and (ii) K. Marx, Capital, Vol. 3, London: Lawrence and Wishart, 1972, Chapters 39-40.
- (5) The regional element is not usually eliminated but generally is not on account of 'differential rent' elements but a conscious need to encourage workers to move to certain areas (both the Soviet Union and China have given premiums to workers in socially undesirable areas). To the degree that surplus-product remains within the enterprise and can be distributed to workers (as in the Yugoslav industrial system) then 'differential rent' elements may emerge between industrial regions in the absence of suitable countervailing planning action.
- (6) Ellman quotes the example of the choice between thermal and hydro-electric power stations, which have very different results in terms of the absorption of land, as the kind of project-choice decision that could be affected strongly by the way in which this issue is treated (M. Ellman, Planning Problems in the USSR, Cambridge: Cambridge University Press, 1973, p. 111).
- (7) *ibid.*
- (8) The Soviet economist Bronshtein commented in 1967: 'Unfortunately the differentiation between regions and collective farms is often explained [in the Soviet Union] in a simplified way. Only recently differences in the level of economic development of the collective farms were explained mainly by differences in the level of management. This ignored the important differences in the natural economic conditions. The latter were assumed to be equal or approximately equal ... The one-sided treatment of the reasons for the existing differentiation led to an unnecessary enthusiasm for reorganisations in the field of the management of agriculture, to excessive re-shufflings of managerial personnel, to attempt at foisting identical solutions to questions of the development of agricultural production on different regions of the country' (quoted in *ibid.*).

- (9) Liang Ren-cai, Economic Geography of Guangdong (Guangdong jing-ji di-li), Beijing: Kexue chu-ban-she, 1956, translated in JPRS/DC-389, pp. 52-3.
- (10) Liang Ren-cai, Huang-mian, and Shen Wei-cheng, Economic Geography of South China (Hua-nan di-qu jing-ji di-li), Beijing: Ke-xue chu-ban-she, 1959, translated in JPRS, No. 14, 954, pp. 152-3.
- (11) Liang Ren-cai, Economic Geography of Guangdong, pp. 58-9.
- (12) Liang Ren-cai, et. al., Economic Geography of South China, pp. 152-3.
- (13) *ibid.*, pp. 152-4
- (14) Liang Ren-cai, Economic Geography of Guangdong, pp. 73-4.
- (15) *ibid.*, pp. 77 and 175.
- (16) Liang Ren-cai, et. al., Economic Geography of South China, pp. 191-3.
- (17) Guangdong Economic Yearbook for 1940 (Guangdong jing-ji nian-jian bian-zuan wei-yuan-hui), 2 vols, Guangzhou, 1941, quoted in Alfred (Ho-yuke) Lin, The Kwangtung Peasant Economy, 1875-1937: A Case Study of Rural Dislocation in Modern China, London University Ph.D. thesis, 1976, in Appendix II and III. Lin notes: 'After the outbreak of hostilities with the Japanese [1937], detailed information on land conditions in practically all the 94 hsien [xian] was collected by a special committee compiling the Kwangtung [Guangdong] Economic Yearbook. Figures then submitted were compared with various pre-war statistics and subsequently amended. The result was that the reports issued can be taken to represent the situation of the 1930s in general rather than that of a single point in time during the war.' (Lin, The Kwangtung Peasant Economy, 1875-1937, p. 38)

- (18) The different xians were as follows:-

xian name	Cultivated Ratio(%)	Arable Area (m.mou)
Zhong Shan	48	2.08
Xin Hui	39	1.15
Nan Hai	71	1.37
Fan Yu	52	1.40
San Shui	44	0.55
Shun De	80	0.90
Dong Guan	42	1.70

Source: Lin, The Kwangtung Peasant Economy, Appendix II.

- (19) Chao An = 28 per cent; Chao Yang = 30 per cent; Cheng Hai = 45 per cent; Jie Yang = 22 per cent (*ibid.*).
- (20) The classification used in the Kwangtung Economic Yearbook is slightly different from that used in post-1949 sources. In the Kwangtung Economic Yearbook the Pearl River Delta and surrounding area is called the Central District, and includes these xians: Chi Xi, Zhong Shan, En Ping, He Shan, Xin Hui, Hua xian, Kai Ping, Gao Ming, Nan Hai, Fan Yu, Bao An, San Shui, Shun De, Tai Shan, Zeng Cheng, Cong Hua, and Dong Guan. Lin, The Kwangtung Peasant Economy, 1875-1937, Appendix II.

- (21) *ibid.* The West River district in here called the 'Western District', and includes these xians: Feng Chuan, Xin Xing, Kai Jian, Gao Yao, Guang Ning, Luo Ding, Si Hui, De Qing, Yu Nan, and Yun Fou (*ibid.*).
- (22) *ibid.*
- (23) *ibid.*
- (24) *ibid.* The xians included in the Eastern district in this survey were: Chao An, Chao Yang, Cheng Hai, Jiao Ling, Jie Yang, Feng Shun, Hai Feng, He Ping, He Yuan, Xin Feng, Xing Ning, Lian Ping, Lu Feng, Long Chuan, Long Men, Mei xian, Nan Ao, Ping Yuan, Bo Luo, Pu Ning, Da Pu, Zi Jin, Wei Lei, Wei Yang, Wu Hua, Yao Ping.
- (25) *ibid.* The xians in this district were: Qing Yuan, Qu Jiang, Fo Gang, Ren Hua, Ru Yuan, Lian xian, Lian Shan, Le Chang, Nan Xiong, Shi Xing, Weng Yuan, Yang Shan, and Ying De.
- (26) *ibid.*
- (27) *ibid.*, The xians in this district (called 'Southern' Guangdong in this survey) were: Qin xian, Fang Cheng, Hai Kang, He Pu, Xin Yi, Xu Wen, Hua xian, Lian Jiang, Ling Shan, Mao Ming, Sui Xi, Dian Bai, Wu Chuan, Yang Jiang, Yang Chun.
- (28) 10.7 per cent (*ibid.*).
- (29) *ibid.*, the xians on Hainan Island were: Chang Jiang, Cheng Mai, Qiong Shan, Qiong Dong, Gan En, Lin Gao, Ling Shui, Le Hui, Dan xian, Ding An, Wan Ning, Wen Chang, Ya xian.
- (30) Liang Ren-cai, Economic Geography of Guangdong, pp. 21-2.
- (31) Distribution of single-cropped rice in Guangdong in 1955 (Unit: m.mou): All-Guangdong = 7.00; Central District = 1.40; Western District = 0.76; Hainan Island = 2.74; Eastern District = 0.30; Northern District = 1.80.
- (32) J.L. Buck, Land Utilisation in China, Vol. 3 (statistics) Nanking: University of Nanking, 1937, p. 52.
- (33) In the case of Guangdong seven xians were chosen to represent the main features of the province's agriculture. In each xian 100 farms were studied in detail (J.L. Buck, Land Utilisation in China, Vol. 1 (Text), Nanking: University of Nanking, 1937 p. (viii). These xians were Chao An, Gao Yao, Jie Yang, Mao Ming, Nan Xiong, Qu Jiang, and Zhong Shan. It is not made clear how the data on irrigated area for the other xians included in Table 4.1 were arrived at.
- (34) Lin, The Kwangtung Peasant Economy, 1875-1937, Appendix II. The seven xians were: Zhong Shan, Tai Shan, Fan Yu, Nan Hai, Shun De, Dong Guan, and Xin Hui.
- (35) Buck, Land Utilisation in China, Vol. 3 (statistics), pp. 27-8.
- (36) Lin, The Kwangtung Peasant Economy, 1875-1937, Appendix II.
- (37) See also Appendix D, Table 3, for data on different xians from post-1949.

- (38) Appendix D, Table 4.
- (39) Pearl River delta and surrounding area's xians: Zhu Hai = 1.4, Shun De = 1.4, Tai Shan = 1.5, Fan Yu = 1.5, Dong Guan = 1.7, He Shan = 1.6, Bo Luo = 2.2, Bao An = 1.6, Xin Hui = 2.0, Zhong Shan = 2.3. West River area xians: Luo Ding = 0.9, De Qing = 0.9, Kai Jian = 1.0, Huai Ji = 1.0, Yu Nan = 1.0, Guang Ning = 1.1, Yun Fou = 1.3, Xin Xing = 1.5, Gao Yao = 1.3, Si Hui = 1.3.
Source: 'Comparative statistics on pig-rearing ...'
- (40) For the xians in the Shan Tou plains/Han River delta river area the averages were: Jie Yang = 1.4, Huai Lai = 1.6, Chao Yang = 1.5, Hai Feng = 2.1, Lu Feng = 2.2, Chao An = 2.3, Cheng Hai = 2.5, Rao Ping = 2.3, Nan Ao = 3.2. In the hilly and mountainous areas the averages were: Da Pu = 1.0, Jiao Ling = 1.1 Mei xian = 1.1, Xin Xing = 1.1, Feng Shun = 1.7, Wu Hua = 1.4, Zi Jin = 1.6.
Source: *ibid.*
- (41) In the southern part the averages were, for example: Fo Gang = 0.8, Qing Yuan = 1.2, Cong Hua = 1.2, Ying De = 1.3. In the northern part, at one extreme were Lian Ping and Ren Hua (1.3 per household) and the others were Dong Chang (3.8) and Ru Yuan (3.4).
Source: *ibid.*
- (42) See Appendix D, Table 4.
- (43) Including coarse grain in 'rice-equivalent'.
- (44) 'Guangdong province plan for agricultural construction from 1956 to 1967 (revised draft)', NFRB, 3rd January 1958.
- (45) The plan visualised a significant compression of the regional gap in yields per mou. Planned grain yields per mou for 1967 were:-
- | | | <u>jin</u> | <u>index</u> |
|-------------------|---|------------|--------------|
| Shan Tou S.D. | } | 1150 | 153 |
| Fo Shan S.D. | | | |
| Guangzhou suburbs | } | 1000 | 133 |
| Shao Guan S.D. | | | |
| Hui Yang S.D. | } | 900 | 120 |
| Gao Yao S.D. | | | |
| He Pu S.D. | } | 850 | 113 |
| Zhan Jiang S.D. | | | |
| Hainan Island | | 750 | 100 |
- Source: *ibid.*
- (46) R.H. Tawney, Land and Labour in China, London: Allen and Unwin, 1932, pp. 49-50.
- (47) It should be noted in passing that cost of living differences due to climatic factors (e.g. greater expenditure needed in North China on fuel and winter clothing) could help to equalise real incomes between the different parts of China.
- (48) See Appendix D, Tables 2 and 10.

- (49) Including Hong Kong and Macao. The main criterion of an 'urban' area in Chinese data in the 1950s was that the settlement in question included 2,000 or more inhabitants, at least half of whom were engaged in pursuits other than agriculture (see Appendix B, Table 8, Note d).
- (50) Liang Ren-cai, Economic Geography of Guangdong pp. 16, 61, 63, 64, and 65. It should be noted that while Hong Kong is not in the People's Republic of China, the supply of agricultural commodities to the city has continued to play a considerable role in the farm economy of Guangdong province, especially of the neighbouring xian, Bao An.
- (51) *ibid.*, p. 71.
- (52) *ibid.*, p. 76.
- (53) *ibid.*, p. 84.
- (54) *ibid.*, p. 94
- (55) *ibid.*, p. 15.
- (56) *ibid.*, p. 15-16.
- (57) *ibid.*, p. 16.
- (58) Composition of industrial production in Guangdong province, 1952 and 1957 (%)

Item	1952	1957
All Guangdong industry	100	100
Food products	52.3	44.5
Textiles	13.9	13.0
Paper	1.4	4.0
Timber	3.5	2.7
Construction materials	2.7	2.5
Mining	3.4	5.5
Metal processing	6.5	11.4
Chemical processing	4.6	6.4
Other	11.7	10.1

Source: Liang Ren-cai, et. al., Economic Geography of South China, p. 88.

- (59) *ibid.*
- (60) For the whole paragraph see *ibid.*, pp. 90-100.
- (61) The first opium war began in 1839.
- (62) For an extensive discussion see Lin, The Kwangtung Peasant Economy, 1875-1937, Chapter 4.
- (63) *ibid.*
- (64) *ibid.*, p. 138-9.
- (65) D.H. Perkins, Agricultural Development in China, 1368-1968, Edinburgh: Edinburgh University Press, 1968, p. 120.

- (66) *ibid.*, pp. 120-121.
- (67) *ibid.*, p. 115. Perkins estimates that 20-30 per cent of farm output was sold locally, and 7-8 per cent entered long-distance trade (prior to 1910).
- (68) Also, the rise of modern machine industry with significant economies of scale assisted the penetration of industrial goods into the rural areas.
- (69) *ibid.*, p. 114.
- (70) Liang Ren-cai, et. al., Economic Geography of South China, pp. 112-114. Huang Bu was dominant, handling 49 per cent of total provincial cargo volume at the end of the First Five Year Plan, and accounting for more than 60 per cent of the total volume of foreign cargo (*ibid.*).
- (71) *ibid.*, pp. 112-114 for a description of the Guangdong river system.
- (72) *ibid.*
- (73) *ibid.*
- (74) *ibid.*
- (75) *ibid.*
- (76) Liang Ren-cai, Economic Geography of South China, p. 111.
- (77) *ibid.*
- (78) Wei Jin-fei, 'Steadily investigate and resolve the question of agricultural and sideline commodity prices', NFRB, 19th May 1957.
- (79) The argument about this is considerable, and goes beyond the scope of this essay. For opposing interpretation of the motivation behind, and results of, the move towards commercial farming see (1) Lin, The Kwangtung Peasant Economy 1875-1937, Ch. 4; (2) R.H. Myers, 'The Commercialisation of Agriculture in Modern China', in W.E. Wilmott (ed.), Economic Organisation in Chinese Society, Stanford: Stanford University Press, 1972.
- (80) Rice output per mou in 1956 = 583 jin ('Zhong Shan xian again increases rice output by 40 m.jin', NFRB, 24th December 1956); output per mou of sugar cane in late 1950's in Zhong Shan xian = 7,235 jin (Zhong Gong-fu and Li Ci-min, Pearl River Delta, (Zhu-jiang san-jiao-zhou) Beijing: Commercial Printing Bookstore, 1960.)
- (81) E-Tu, Zen Sun, 'Sericulture and Silk Production in Ching [Qing] China', in Wilmott, (ed.), Economic Organisation in Chinese Society, p. 85.
- (82) Zhong Gong-fu and Li Ci-min, Pearl River Delta.
- (83) Various qualitative statements exist, however. For example, Yang noted the relative cheapness of fertiliser in Nanching [Nanjing] village (Fan Yu xian) before 1949 due to its favourable location near Guangzhou (C.K. Yang, A Chinese Village in Early Communist Transition, in C.K. Yang Chinese Communist Society: The Family and the Village, MIT Press Paperback, Cambridge, Mass.,: MIT Press, 1965, p. 46).

- (84) Liang Ren-cai, et.al., Economic Geography of South China, p. 63.
- (85) Zhong Gong-fu and Li Ci-min, Pearl River Delta.
- (86) Zhong Shan District Party Committee, 'Questions concerning the development of agricultural production in Fo Shan S.D.', NFRB, 13th October 1956. In the 'mountainous' parts the proportion occupied by economic crops and sideline production was 33.4 per cent, in the sandy-field [sha-tian] area it was 34.0 per cent, and in the hilly area, 38.7 per cent (ibid.).
- (87) 'From Shun De xian see the evil result of an incorrect line in production', 23rd November 1956.
- (88) Guangzhou municipality, Yang Qi xiang, No. 1 APC (Source: Guangdong Party Committee office, Forty Agricultural Producer Co-operatives in Guangdong (Guang-dong si-shi-ge nong-ye-he-zuo-she), Guangzhou: Guangdong People's Publishing House, 1956).
- (89) In Fo Shan S.D. in 1957 there were 20 m. ducks and 4.2 m. geese and chicken (Zheng Shao-tang, 'The people of the Pearl River delta have moved from being poor and destitute to being well-off', NFRB, 13th August 1957). In Shao Guan S.D. in 1957 the number of fowls (chicken, geese, and ducks) was 11.4 m. (Lin Ming-yuan, 'The superiority of the co-operative system cannot any longer be denied', NFRB, 5th August 1957). Population data are for 1958 and are from 'Comparative statistics on pig-rearing in Guangdong'.
- (90) Liang Ren-cai, Economic Geography of Guangdong, p. 38.
- (91) It occupied about 24 per cent of the total sown area of economic crops in 1957 and produced about 54 per cent of the total value of economic crop production in 1954 (Liang Ren-cai, Economic Geography of South China, p. 72). The relative importance of sugar cane has increased in the 1960s and 1970s: output (physical) has grown at 4.6 per cent per annum (compound) from 1952 to 1978 (Table 2.1) compared to a growth rate of total agricultural output (constant 1970 prices) of 2.9 per cent per annum (compound) over the same period (Table 2.2).
- (92) Liang Ren-cai, Economic Geography of Guangdong, p. 30. Moreover in 1959 Fan Shun xian (an amalgamation of Fan Yu and Shun De) produced 48.8 per cent of the delta's total sugar cane output and Zhong Shan produced 26.7 per cent (Zhong Gong-fu and Li Ci-min, Pearl River Delta).
- (93) Liang Ren-cai, Economic Geography of Guangdong, p. 36.
- (94) Liang Ren-cai, et. al., Economic Geography of South China, p. 71. The five eastern xians were Chao An, Chao Yang, Jie Yang, Pu Ning, and Rao Ping.
- (95) ibid. The xians were Dong Guan, Zhong Shan, Fan Yu, and Zeng Cheng.
- (96) ibid. Tropical crops amounted to about ten per cent of the total economic crop area of Guangdong in 1956-7 (ibid.).

- (97) *ibid.*
- (98) As Table 4.14 shows, the labour inputs needed to produce it were relatively small. In the fertile Pearl River delta, Fo Shan S.D. produced only about seven per cent of the provincial total in 1956 (The output of Fo Shan S.D. in 1956 = 29.5 m. jin (Zheng Shao-tan, 'The people of the Pearl River delta ...'); the total provincial output in 1956 = 430 m. jin (see Appendix B, Table 13)).
- (99) Liang Ren-cai, et. al., Economic Geography of South China, p. 71.
- (100) 'The mountain region people's livelihood is good; there is no market for the rumours of the rightest elements', NFRB, 14th August 1957.
- (101) 'Xin Feng xian fixes a new policy for agriculture and forestry to advance together', NFRB, 23rd October 1956.
- (102) The whole xian had 240 xiangs which were classified in the following way: mountainous = 42, semi-mountainous = 109, plain = 94. ('Qing Yuan xian fixes next year's production targets and plans', NFRB, 11th December 1956).
- (103) Perkins, Agricultural Development in China 1368-1968, p. 91.
- (104) Directorate-General of Budget, Accounting and Statistics, National Government, A Statistical Analysis for Chinese Tenure System, 1942, Table 1, printed in Chia-chu Hou, 'The structure and determinants of Tenure system in Modern China: 1900-1940', in Chi-ming Hou and Tzong-shian Yu, (eds.) Modern Chinese Economic History Taipei: Institute of Economics, Academia Sinica, 1979, p. 166.
- (105) Perkins, Agricultural Development in China, 1368-1968, p. 89, footnote 3.
- (106) Guangdong Province People's Government Land Reform Committee, 'Summing-up report of victorious completion of the whole province's land reform', NFRB, 23rd April 1953. The proportion is based on a figure of 52 m. mou for the arable area of the province at the time of the completion of land reform.
- (107) Perkins, Agricultural Development in China, 1368-1968, pp. 87 and 89.
- (108) *ibid.*, p. 95. '(T)he rate of return in the nineteenth century [on land investment] was probably little if any more than 5 per cent on most land. By contrast the rate of return on commerce and money-lending was often 10 or 20 per cent or more of capital invested.' (*ibid.*, pp. 93 and 95).
- (109) *ibid.*, p. 93. It should be noted that this by no means always meant an urban landlord. Often land was rented from a landlord in another village.
- (110) *ibid.*
- (111) *ibid.*
- (112) *ibid.*, pp. 95-6.

- (113) *ibid.*, pp. 97-8. The exception to this could be the most backward areas of all in which 'landlords and officials apparently worked closely together, and [in which] in many cases the landlords were virtually a government unto themselves.' (*ibid.*, p. 98).
- (114) R. Ash, Land Tenure in Pre-Revolutionary China: Kiangsu [Jiangsu] province in the 1920s and 1930s, London: Contemporary China Institute, 1976, pp. 11-22.
- (115) *ibid.*, pp. 11-12.
- (116) *ibid.*, pp. 11-22.
- (117) Chen Han-seng, Landlord and Peasant in China, Westport, Connecticut: Hyperion Press Reprint, 1973 (first published, 1936).
- (118) *ibid.*, p. 117. 'Owners' are defined in Chen's survey as 'peasants most or all of whose holdings are owned by their families'; 'tenants' are defined as 'peasants who lease all or most of the land they cultivate', and 'agricultural labourers' are defined as 'peasants who depend on wages as the principal source of livelihood' (*ibid.*).
- (119) See Yang A Chinese Village in Transition, pp. 92-101, for a discussion of the function of clans in Guangdong province.
- (120) Chen Han-seng, Production Relations and Productive Forces in the Guangdong villages (Guangdong nong-cun sheng-chan-guan-xi yu sheng-chan-li), Zhong-shan: Zhong-shan wen-hua-guan, 1934, pp. 443-4, quoted in Lin, The Kwangtung Peasant Economy 1875-1937, p. 213.
- (121) Chen Han-seng, Landlord and Peasant in China, p. 38. Yang notes coolly: 'A common complaint against clan ownership of land was corrupt management in the form of embezzlement of rents and favouritism in renting good land to well-placed members. While there was apparently some truth in such charges, a representative factual picture of clan land management has yet to be given' (Yang, A Chinese Village in Transition, p. 43).
- (122) Chen Han-seng, Production Relations and Productive Forces in the Guangdong Villages, pp. 443-4, quoted in Lin, The Kwangtung Peasant Economy 1875-1937, p. 213. The Pearl River delta xians were:
Nan Hai = 40%; Zhong Shan = 50%; Tai Shan = 50%; Xin Hui = 60%;
Shun De = 60%; Fan Yu = 50%.
- (123) *ibid.* The xians in the immediately surrounding area were: Dong Guan = 20%; Bao An = 30%; Bao Luo = 40%; Si Hui = 30%; Hui Yang = 50%; Hua xian = 50%; En Ping = 40%; He Shan = 40%; Kai Ping = 40%; Gao Yao = 40%.
- (124) *ibid.* The xians on Hainan Island were: Cheng Mai = 15%; Qiong Shan = 15%; Qiong Dong = 15%; Le Hui = 20%; Ling Shui = 10%; Ding An = 20%; Wen Chang = 20%.
- (125) see the table in *ibid.*
- (126) Central Experimental Station, Agricultural Bulletin, No. 4, Vol. III, quoted in Chia-chu Hou, 'The structure and determinants of tenure system in Modern China, 1900-1940', p. 172.

- (127) Chen Han-seng, Landlord and Peasant in China, p. 54.
- (128) Perkins, Agricultural Development in China, 1368-1968, p. 104.
- (129) Central Experimental Station, Agricultural Bulletin, No. 4, Vol. III.
- (130) *ibid.*
- (131) *ibid.*
- (132) Chen Han-seng, Landlord and Peasant in China, Chapter 4. He suggests also that both fixed grain rents and share rents generally came to between 40 and 60 per cent of the total harvest, the proportion depending on the accessibility of the land, its fertility and the relative contribution of landlord and tenant. The higher proportions (approaching sixty per cent) under share rents he argues applied where the landlord provided seedlings and fertilisers (*ibid.*).
- (133) *ibid.*, p. 22.
- (134) *ibid.*
- (135) *ibid.*
- (136) *ibid.*
- (137) Lin, The Kwangtung Peasant Economy, 1875-1937, p. 239.
- (138) Chen Han-seng, Landlord and Peasant in China, p. 22.
- (139) *ibid.*, p. 49.
- (140) 70% in Dong Guan xian, 75% in Zhong Shan, Fan Yu, and Sun De xians (*ibid.*, p. 47).
- (141) Tawney, Land and Labour in China, p. 60.
- (142) Buck, Land Utilisation in China, Vol. 1, (Text), p. 462.
- (143) *ibid.*, p. 461.
- (144) A Guomindang survey of 1934 estimated that the proportion of rural credit in Guangdong from different sources was: pawnshops = 18.4%; books and money shops = 8.7%; co-operative credit societies = 0.3%; private loans (landlords, merchants, rich peasants) = 72.6% (quoted in Lin, The Kwangtung Peasant Economy 1875-1937, p. 196).
- (145) Buck, Land Utilisation in China, Vol. 1 (Text), p. 465.
- (146) *ibid.*, p. 463.
- (147) Lin, The Kwangtung Peasant Economy, 1875-1937, pp. 175-6.
- (148) Chen Han-seng claims that the local tax-collecting merchant or tax farmer collected 'several times, sometimes as much as ten times', what the government received. (Chen Han-seng, Landlord and Peasant in China, p. 74).

- (149) In the early 1930s in Guangdong there were estimated to be 133 'extortionate contributions and miscellaneous taxes'; in areas of military conflict direct requisition of various kinds were made frequently (Lin, The Kwangtung Peasant Economy, 1875-1937, pp. 177-9.
- (150) Perkins, Agricultural Development in China, 1368-1968, p. 176.
- (151) Yang, A Chinese Village in Transition, p. 56.
- (152) *ibid.*
- (153) *ibid.*, pp. 56-7.
- (154) *ibid.*, p. 57.
- (155) This is inevitably an extremely rough figure. If one assumes that around 50 per cent of the arable area in Guangdong was rented and that rents came to around 50 per cent of the main crop then one arrives at a figure of about 25 per cent of the main crop takes in rent. If one assumes that taxation in its various forms took about 20 per cent of the main crop to be paid by landowners, then, in view of the fact that about half the land was owned by the direct producers, one arrives at a figure of about 10 per cent of the main crop paid in tax by the direct producers.
- (156) It is relevant to recall Perkins' observation that only about one-quarter of all landlords resided in the village (Perkins, Agricultural Development in China, 1368-1968, p. 93), which suggests that it is unlikely that leakages to ordinary working farmers from rent paid on privately-rented land would have been high. More debateable perhaps is the position over clan land but even the detailed account of clans given in Yang A Chinese Village in Transition, (pp. 92-101) does not give the impression of a substantial return flow to work to the benefit of the real income of working peasants in general.
- (157) Of relevance also was the opportunity to earn income from off-farm work, which varied considerably between these xians: The proportion of net income earned from off-farm work in 1929-33 was: Chao An = 18%; Zhong Shan = 3%; Jie Yang = 17%; Gao Yao = 5%; Qu Jiang = 7% Mao Ming = 22%; Nan Xiong = 4% (Buck, Land Utilisation in China, Vol. 3 (Statistics) p. 310).
- (158) J. Wong, Land Reform in the People's Republic of China, New York: Praeger, 1973, p. 153.
- (159) Guangdong Land Reform Committee, 'Summing-up report ...' Using a figure of roughly 52 m. mou as the arable area of Guangdong at the time of land reform.
- (160) Guangdong CCP Committee Propaganda Department, 'Affirm achievements, overcome shortcomings, consolidate the victory of the APC's, struggle for the achievement of even greater agricultural production', NFRB, 19th-21st January 1957.
- (161) Shi Jing-tang, Materials on the Agricultural Co-operativisation Movement in China (Zhong-guo nong-ye he-zuo-hua yun dong shi-liao) Beijing, 1957, p. 1019.

(162) The average size of village in the 152 villages in 38 xians surveyed by Chen Han-seng in his study of the Guangdong countryside in the early 1930s was 163 families (Chen Han-seng, Landlord and Peasant in China, pp. 115-117). It may be assumed that the average size had risen since then.

(163) Model Regulations for Advanced Agricultural Producers' Co-operatives (30th June 1956) Beijing: Foreign Languages Press, 1956, p. 18.

(164) Deng Zi-hui, 'The APC's internal contradictions and democratic management', XHBYK, No. 11, 1957.

(165) See for example: (i) *ibid.*; (ii) 'Central Committee of CCP and State Council issue joint directive on distribution of summer harvest'; (iii) Xiao Yun, 'Some understanding of the current contradictions among the rural population', XX, No. 12, 1957; (iv) Wang Lu, 'On contradictions within APC's', ZZXX, No. 6, 1957; (v) Zhang Qing-tai, 'Income distribution must proceed from the concrete situation', RMRB, 29th October 1956, and XHBYK, No. 22, 1956.

(166) The national indices for the purchase price of different farm products for 1956 was:-

Item	1930-36 = 100	1950 = 100	1952 = 100
Grains	230.4	139.9	115.7
Industrial crops	257.1	122.6	109.8
Animal products	294.0	127.3	121.9
Native and special products	309.5	194.6	127.9

Source: Statistical Office, TJGZ, 'Price gaps between industrial products and farm products and their changes in post-liberation years', TJGZ, No. 17, 14th September 1957, translated in ECMM, No. 104, pp. 20-27.

(167) 'The way in which to ensure that the agricultural co-operatives increase production and increase co-op members' income', NFRB, 15th September 1956.

(168) Data are for No. 1 APC, Yang Qi xiang (Guangdong Party Committee office, Forty Agricultural Producers Co-operatives in Guangdong). Total sown area of rice = 60 mou (42 early, 18 late); gross income from rice = 1364 yuan. Total sown area of vegetables = 95.7 mou (36.0 early, 58.8 late); gross income from vegetables = 17,493 yuan.

(169) Xie Nan-shi, 'The way in which to treat the purchase and supply price differential ...'

(170) 'Carry out in accordance with the facts the guideline for all-round development of agricultural production', NFRB, 15th November 1956.

(171) Statistical Office, 'Price gaps ...'

(172) D.H. Perkins, Market Control and Planning in Communist China, Cambridge, Mass.: Harvard University Press, 1966, p. 31. Perkins estimates that the state controlled only about ten per cent of purchases from the agricultural sector in 1950 and less than 25 per cent in 1951.

(173) 'The method for enforcing the agricultural tax levy for Guangdong for 1953', NFRB, 23rd July 1953.

- (174) For example a per capita income of 200 jin would pay 200 x 6 per cent (= 12 jin), while an income of 500 jin would pay 500 x 12 per cent (= 60 jin) (ibid., regulation 14).
- (175) 'Questions and Answers on 1952 Agricultural Tax', RMRB, 7th July 1952, translated in SCMP No. 385.
- (176) For example, the tax burden for Hai Kang xian stood at 17.0 m. jin from 1952 to 1956 ('Unmask the crimes of Rightist Party element Wei Lin in Hai Kang xian', NFRB, 20th August 1957), and in Xin Feng xian it altered only marginally over the same period (1952 = 8.70 m. jin; 1953 = 8.49 m. jin; 1954 = 8.86 m. jin; 1955 = 8.86 m. jin) ('Do not allow the Rightist Party elements to recklessly slander the mountain region peoples', NFRB, 13th August 1957).
- (177) 'The method for enforcing the agricultural tax levy ...', regulation 9.
- (178) A Donnithorne, China's Economic System, London: Allen and Unwin, 1967, pp. 338-9.
- (179) Zhao Zi-yang, 'Several questions concerning village production work', NFRB, 10th February 1953.
- (180) The total grain purchase task for 1954 was reported as 2900 m. jin of husked rice (da-mi) (Guangdong People's Council, 'Orders for carrying out the 1958 unified purchase and supply of grain system regulations', NFRB, 27th February 1955).
- (181) 'Hainan qu fixes a new guideline for the development of agricultural production', NFRB, 7th September 1956.
- (182) 'Carry out in accordance with the facts ...'
- (183) See: (i) 'All-round development of production; prosperous mountain district economy [in Shao Guan S.D.]', NFRB, 5th December 1956; (ii) 'Several questions concerning the development of mountain region production in Shao Guan S.D.', NFRB, 11th December 1956; (iii) 'Qing Yuan xian fixes next year's production targets and plans', NFRB, 11th December 1956; (iv) 'Xin Feng xian fixes a new policy ...'; (v) 'The experience of success; the education of defeat', NFRB, 10th December 1956.
- (184) Lin Ming-yuan, 'The superiority of the co-operative system ...'
- (185) 'Several questions concerning the development of mountain region production ...'
- (186) 'Xin Feng xian fixes a new policy ...'
- (187) ibid.
- (188) See (i) Zhong Shan district, 'Questions ...'; (ii) 'Zhong Shan xian already holds its first party congress', NFRB, 15th May 1956; (iii) 'From Shun De xian ...'; (iv) 'The way in which to ensure ...'; (v) 'Nan Hai xian increases grain output this year by over 400 m. jin', NFRB, 10th December 1956.

- (189) Sugar cane output (m. jin) of Fo Shan S.D.: - 1952 = 2328; 1953 = 2018; 1954 = 2858; 1955 = 3575; 1956 = 3840 (Zheng Shao-tang, 'The people of the Pearl River delta ...').
- (190) Zhong Shan district, 'Questions ...'.
- (191) 'Nan Hai xian all-roundedly develops output; peasant income increases', NFRB, 1st September 1956.
- (192) Appendix B, Table 10.
- (193) 'From Shun De xian ...'
- (194) Zheng Shao-tang, 'The people of the Pearl River delta ...'
- (195) Li Wen-hua, 'From the expansion of Guangdong's agricultural production we can see the transformation of the peasants' living standards', NFRB, 18th August 1957.
- (196) Tan Zhen-lin, 'Preliminary investigation of our country's rural income circumstances and living standards', XHBYK, 1957, No. 11, also published in NCGZTX, 1957, No. 4.
- (197) For example, surveying the level of net income from sideline production in five APC's in Northern Guangdong in 1956 Peng xiao-fan found that the lowest was 10 yuan per capita and the highest 27 yuan per capita (Peng Xiao-fan, 'One cannot speak nonsense ...').
- (198) Editorial, 'Thoroughly carry out rectification of the APC's', NFRB, 7th May 1956.
- (199) Jiangsu Labour Department, Wages Investigation Group, 'Preliminary investigation and research concerning the level of livelihood of workers and peasants in Jiangsu province', LD, 1957, No. 21.
- (200) Tan Zhen-lin, 'Preliminary survey ...'
- (201) Liang Ren-cai, et. al., Economic Geography of South China, p. 52.
- (202) *ibid.*
- (203) A survey of 23 APC's in different areas and with different economic conditions in those xians found that the average net per capita income of different peasant strata before collectivisation was as follows: well-off middle = 99.3 yuan; lower-middle = 79.1 yuan; poor peasant = 59.9 yuan. These appear to be the income criteria used in categorising the APC's in the larger survey. (Source: 'The way in which to catch up with the well-off middle peasant output and living standard level', NFRB, 13th November 1957.)
- (204) 'We must defend the socialist system', NFRB, 9th August 1957.
- (205) Chen-Ying-zhong, 'Guangdong province village purchasing power ...' old yuan converted to 'new' yuan at rate of 10,000 : 1.
- (206) 'Our province is the same as the whole of China in that the people's living standards are year after year rising magnificantly', JXRB, 1st July 1957.

- (207) Chao Kuo-chun, Agrarian Policies of Mainland China: A Documentary Study (1949-1956), Cambridge, Mass.: Harvard University Press, 1963, pp. (vi)-(vii).
- (208) 'Training and transforming oneself in the struggle against the rightist party', NFRB, 14th August 1957.
- (209) 'An explanation of the grain supply policy', NFRB, 16th July 1955.
- (210) 'Fairly dividing up the task is the important keypoint in carrying out the 'three fixed' work well', NFRB, 29th June 1955.
- (211) Guangdong People's Council, 'On the way in which to carry out planned supply of edible oil and sugar', NFRB, 4th March 1955.
- (212) *ibid.*
- (213) *ibid.*
- (214) The fragmentary data in Appendix D, Table 23 provide further support for the notion that inter-xian differences in sugar and edible oil consumption may have been greater than those between broad regions.

Chapter 5. Notes.

- (1) Chen Han-seng, Landlord and Peasant in China, Hyperion Press edition (first published 1936), Westport C.T.: Hyperion Press, 1973, p. 35.
- (2) *ibid.* For a definition of the classification scheme used by the CCP to categorise the rural population see The Agrarian Reform Law of the People's Republic of China, Peking: Foreign Languages Press, 1950.
- (3) Guangdong People's Government Land Reform Committee, 'Summing-up report of victorious completion of the whole province's land reform', NFRB, 23rd April 1953.
- (4) C. K. Yang, A Chinese Village in Transition, in C.K. Yang, Chinese Communist Society: The Family and the Village, MIT Press Paperback, Cambridge, Mass. and London: MIT Press, 1965, pp. 43-4.
- (5) *ibid.*, p.44.
- (6) His analysis of land ownership applies only to those who are to some degree actually engaged in farming. In addition to these 923 families resident in the 10 villages concerned were 35 families of 'landlords' and 251 'other' families. The land-holdings of the 'landlord' families are not made clear. (See Chen Han-seng, Landlord and Peasant in China, p. 131.
- (7) Chen defines the different strata in the following fashion: 'middle' peasants ^{amount} are those whose holding corresponds to the minimum of land area which if owned suffices to support a family of average size for the village if planted to the usual major crop of that village. 'Poor' peasants are those whose land holding is below this potential income - the income from auxiliary sources being negligible. A 'rich' family is one whose land holding at least equals that of the minimum and which employs either one or more labourers all the year around or a number of day labourers in seasonal work exceeding the average employed by middle peasants in that village. (*ibid.*, p. 123)
- (8) *ibid.*, pp. 115-117. From a survey of 20,977 peasant families in 38 xians (152 villages).
- (9) *ibid.*, p. 126.
- (10) *ibid.*, pp. 124-5.
- (11) *ibid.*, p.11.
- (12) *ibid.*, p. 135.
- (13) Rents per mou in 1937 were said to be:-
Fruit groves 60-70 yuan; mulberry 20-30 yuan; rice 10 yuan; vegetables 7-8 yuan; peanuts and potatoes 4-5 yuan (Zhong Gong-fu and Li Ci-min, Pearl River Delta (Zhu-jiang san-jiao-zhou) Beijing: Commercial Printing Bookstore, 1960.
- (14) In Nanjing village (studied by Yang) the land tax (local plus national) came to about 12 per cent of

the yield per mou in terms of rice (Yang, A Chinese Village in Transition, p. 56). If the landlord is assumed to have taken about half of the main crop in rent, then the maximum proportion taken by land tax would have been about one-quarter of the rent.

- (15) *ibid.*, p. 57.
- (16) *ibid.*
- (17) On the assumption that roughly one-third was rice-land, one-third mulberry and one-third fruit-grove land (see Note 21).
- (18) *ibid.*, p. 58.
- (19) *ibid.*, pp. 58-62.
- (20) Liang Ren-cai, et. al., Economic Geography of South China, p. 63.
- (21) *ibid.*
- (22) Yang, A Chinese Village in Transition, p. 64.
- (23) Liang Ren-cai, et. al., Economic Geography of South China, p. 63.
- (24) Yang, A Chinese Village in Transition, p. 65.
- (25) *ibid.*, pp. 65-6.
- (26) Liang Ren-cai, et. al., Economic Geography of South China, p. 63.
- (27) Yang, A Chinese Village in Transition, p. 67.
- (28) *ibid.*
- (29) *ibid.*, pp. 64-7.
- (30) Derived from Chen, Landlord and Peasant in China, pp. 135.
- (31) *ibid.*
- (32) *ibid.*, p. 133.
- (33) J. L. Buck, Land Utilisation in China, vol. 1 (Text) Nanking: University of Nanking, 1937, pp. 461-3.
- (34) Yang, A Chinese Village in Transition, p. 68.
- (35) Buck, Land Utilisation in China, vol. 1 (Text) pp. 461-3.
- (36) For detailed accounts of land reform in Guangdong see: (i) John Wong, Land Reform in the People's Republic of China, New York: Praeger, 1973; (ii) Yang, A Chinese Village in Early Communist Transition; (iii) Ezra F. Vogel, Canton Under Communism, Harper Torchbooks, New York: Harper and Row, 1969, Chapter 3; (iv) D. H. Bays, Agrarian Reform in Kwangtung 1950-1953 in R. S. Saleski and D. H. Bays Early Communist China: Two Studies, Ann Arbor, Michigan: Michigan Papers in Chinese Studies, 1968.
- (37) John Wong, Land Reform, p. 153.
- (38) The Agrarian Reform Law of the People's Republic of China

- (39) In 1950 Liu Shao-qi acknowledged that between July 1946 and October 1947 not only landlords' land and property, but also that of rich peasants had been arbitrarily confiscated. Furthermore, the interests of part of the middle peasants had been encroached upon, and indiscriminate beatings and killings had taken place in some areas. (Liu Shao-chi, On the Agrarian Reform Law (14th June 1950), published in The Agrarian Reform Law).
- (40) The Agrarian Reform Law, pp. 66-7.
- (41) Ezra F. Vogel, Canton Under Communism, pp. 99 and 102.
- (42) For a detailed account of the complex story behind the change of line in Guangdong see *ibid.*, Chapter 3.
- (43) Guangdong Land Reform Committee, 'Summing-up report ...'
- (44) *ibid.* Using a figure of roughly 52 million mou as the arable area of Guangdong at the time of completion of land reform.
- (45) Wang De, 'Advancing from victory to victory', NFRB, 25th Apr. 1953.
- (46) Feng Bai-ju, 'Continue to make firm the victory; complete the land reform', NFRB, 29th Apr. 1953.
- (47) Guangdong Land Reform Committee, 'Summing-up report ...'
- (48) 'The peasants' living standards have surpassed their highest level in recent years', GZRB, 25th July 1957.
- (49) Feng Bai-ju, 'Continue to make firm the victory ...' The data on farmland was from eight xians only.
- (50) CCP Central Committee, South China Section Investigation Group, 'Qu Jiang xian Number 1 District in its summer harvest experiences certain difficulties in its increased grain output', NFRB, 25th Sep. 1953.
- (51) Guangdong Land Reform Committee, 'Summing up report ...'
- (52) Mao Tse-tung, 'On the co-operative transformation of agriculture', (31st July 1955) in Selected Works of Mao Tse-tung, Vol.5, Beijing: Foreign Languages Press, 1977, pp. 201-2.
- (53) Editorial, 'Study and carry out the Party's village economic policy; with all effort develop the agricultural production movement', NFRB 24th Apr. 1953.
- (54) *ibid.*
- (55) Zhao Zi-yang, 'Several questions concerning village production work', NFRB, 10th Feb. 1953.
- (56) *ibid.*
- (57) See for example: (i) Zhao Zi-yang, 'Several questions ...'; (ii) Guangdong Land Reform Committee Survey Team, 'The masses' ideological situation and problems after land reform', NFRB, 19th Feb. 1953; (iii) Ceng Dong-ying, 'We should strongly carry

through the policy of freedom of loans', NFRB, 3rd Apr. 1953; (iv) Editorial, 'Study and carry out well the party's village economic policy ...'; (v) Ye Jian-ying, 'Guangdong Provincial People's Government announcement - propagandise the whole province that with the completion of land reform all efforts should be put to expanding production', NFRB, 24th Apr. 1953; (vi) CCP Central Committee South China Section, 'Directive concerning stabilising the new village production relationships and making village production secure' (29th May 1953), NFRB, 3rd June 1953.

- (58) For all these policies see Ye Jian-ying, Guangdong Provincial People's Government ...'
- (59) The details of mutual aid teams and agricultural producer cooperatives have been extensively discussed elsewhere. MATs were characterised by collective labour of different degrees of sophistication, but private ownership of the means of production. Lower stage APCs were characterised not only by collective labour in the bulk of farmwork but also by collective ownership of the main means of production; income distribution was from the collective, in part according to work and in part according to land shares. In higher stage APCs income was distributed entirely according to work.
- (60) *ibid.*
- (61) CCP Central Committee, 'Directive concerning stabilising the new village production relationship ...'
- (62) CCP Central Committee, 'Qu Jiang xian ...'
- (63) *ibid.*
- (64) *ibid.*
- (65) *ibid.* Output per mou (jin, gu) for the first harvest in 1953 relative to 1952 increased by 28.1 per cent for seven hired peasant households (from 252 to 339), by 34.0 per cent for six middle peasant households (from 365 to 489), by 27.0 per cent for six poor peasant households (from 292 to 336); a special survey of fifteen rich peasant households found an increase of only 5.9 per cent (281 to 298).
- (66) See, for example: (i) Tao Zhu, 'The tasks of the party in South China under the First Five Year Plan of economic construction', NFRB, 31st Oct. 1953; (ii) RMRB Editorial, 'We must propagandise to the peasants on a grand scale the general line on the period of transition', NFRB, 10th Nov. 1953; (iii) RMRB Editorial, 'Lead the peasants along the path of common prosperity', NFRB, 18th Nov. 1953; (iv) Editorial, 'With great effort develop agricultural production in harmony with the development of industrialisation of the whole country', NFRB, 31st Oct. 1953; (v) Editorial, 'Get organised - meet the

- autumn harvest and winter ploughing', NFRB, 2nd Nov. 1953; (vi) Editorial, 'We must carry out well ideological-educational work of the cadres', NFRB, 30th Nov. 1953.
- (67) Editorial, 'With great effort develop agricultural production ...'
 - (68) 'Opinions on the different kinds of mutual aid in the villages in old Guangdong', NFRB, 21st Sept. 1953. The xians in which the surveys were carried out were: Zhong Shan, Qu Jiang, Long Quan, Ying De, and He Shan.
 - (69) *ibid.*
 - (70) Tao Zhu, 'The tasks of the party ...'
 - (71) Editorial, 'We must carry out well ideological educational work ...'
 - (72) Editorial, 'Get organised ...'
 - (73) Editorial, 'We must carry out well ideological and educational work ...'
 - (74) *ibid.*
 - (75) *ibid.*
 - (76) *ibid.*
 - (77) *ibid.*
 - (78) Editorial, 'Strengthen concrete leadership: welcome the high tide in the mutual aid and cooperation movement', NFRB, 28th Feb. 1954.
 - (79) 'Guangdong mutual aid and co-operation movement attains high tide', NFRB, 31st Mar. 1954. The data are from 19 xians and municipalities in North Guangdong, 9 xians in East Guangdong, and 8 xians in Central Guangdong.
 - (80) On the change of emphasis in Guangdong see Zhao Zi-yang, 'This year's concrete direction and tasks in agricultural production', NFRB, 10th May 1954. He said here: "the central point in the leadership of the mutual aid and co-operation movement should immediately change from expansion to consolidation".
 - (81) Vogel, Canton Under Communism, p. 146.
 - (82) *ibid.*, p. 143.
 - (83) 'Seriously carry out well the preparatory work for summer harvest distribution in the first batch of APCs', NFRB, 22nd June 1954.
 - (84) *ibid.*
 - (85) *ibid.* For similar views on the problem in APCs see Zhao Zi-yang, 'This year's concrete direction ...'
 - (86) *ibid.*
 - (87) *ibid.*

- (88) Gu Da-cun, 'Guangdong People's Government Work report', NFRB, 7th Feb. 1955.
- (89) *ibid.*
- (90) *ibid.*
- (91) 'The method for enforcing the agricultural tax levy for Guangdong for 1953', NFRB, 23rd July 1953, regulation number seven.
- (92) *ibid.*, regulation number nine.
- (93) It is interesting to note that in the 1958 tax regulations, the tax is levied on units of land rather than output or income per unit of population. This involved an important change of principle.
- (94) For example, a per capita income of 200 jin would pay 200 x 6 per cent (= 12 jin), and an income of 500 jin would pay 500 x 12 per cent (= 60 jin) (Source: 'The method for enforcing the agricultural tax levy in Guangdong for 1953', regulation number 14).
- (95) See, for example, Yang, A Chinese Village, pp. 155-6.
- (96) Lin Cheng-bo, 'How do we look at the question of the peasants' living standard at the present time?' NFRB, 9th Oct. 1957.
- (97) *ibid.*
- (98) Innumerable sources admit this. For example, in his work report to the Guangdong People's Government Gu Da-cun acknowledged that due to the heaviness of the grain purchase task in 1954 peasants in some areas had sold grain for personal consumption (kou-liang) (Gu Da-cun, '... work report'). Many local reports also mentioned the problem often in relation to difficulties in sideline production. An extensive survey of Long Zhong xiang, which was said to be representative of a large number of villages, admitted that the winter of 1953-54 "saw the introduction of unified grain purchase and supply, and inadequate grain for personal consumption (kou-liang) and for fodder was left in the villages, so that sideline income from pigs and chicken fell". (Source: 'A survey of the living standards of the peasants in Long Zhong xiang', XHBYK, No.10, 1957, also published in RMRB, 6-7th Apr. 1957).
- (99) Mao himself acknowledged: "We did make a mistake on the question of grain. In 1954 floods caused a decrease in production in some parts of the country, and yet we purchased 7000 million catties of grain. A decrease in production and increase in purchasing - this made grain the topic on almost everyone's lips last spring, and nearly every household talked about the state monopoly for marketing grain. The peasants were disgruntled, and there were a lot of complaints both inside and outside the Party". (Mao Tse-tung, 'On the Ten Major Relationships' (25th Apr. 1956) in Mao, Selected Works, Vol.5, p.290).

- (100) NFRB, 8th Aug. 1954, cited in Reiitsu Kojima, 'Grain Acquisition and Supply in China', Contemporary China, 1961-62, p. 75.
- (101) Guangdong People's Government, 'Guangdong province 1953 surveying the land and fixing the production quotas; announcement of the first step of the plan for land registration', NFRB, 20th Jan. 1953.
- (102) 'Concise and important materials ...'
- (103) Lin Cheng-Bo, 'How do we look at the question ...'
- (104) The information is for sixteen xiangs in Hubei, Jiangxi, Hunan and Guangdong provinces. (Source: Su Xing, 'The struggle between the socialist and capitalist road in the countryside after land reform', Part II, JJYJ, No.8, 1965).
- (105) *ibid.*
- (106) For all the above information see 'Concise and important materials ...'
- (107) Dwight H. Perkins, Agricultural Development in China, 1368-1968, Edinburgh: Edinburgh University Press, 1969, p. 89.
- (108) On the assumption that a full-time permanent agricultural labourer would work 200 labour days per year.
- (109) The data in this paragraph are from a survey of 15,292 peasant households in 1954, quoted in Tong Da-lin, The great development of agricultural co-operation, (Nong-ye he-zuo-hua da fa-zhan de gen-ju), Beijing: People's Publishing House, 1956, p. 8. This is presumably taken from the same survey as that reported in 'Concise and important materials ...'
- (110) Vogel, Canton Under Communism, pp. 371-2.
- (111) *ibid.*, p. 144).
- (112) *ibid.*, pp. 371-2.
- (113) NFRB, 4th Jan. 1954, cited in *ibid.*, p. 379.
- (114) Editorial, 'Press ahead with the system of party education lectures in the village branches', NFRB, 14th Feb. 1955.
- (115) NFRB, 11th Oct. 1955, cited in Vogel, Canton Under Communism, p. 144.
- (116) The number of xiangs in 1955 was about 12,000 (see Note 79 above) and the rural population of the province in 1957 was 32.49 million (Source: Liang Ren-cai, Huang Mian and Shen Wei-cheng, Economic Geography of South China (Hua-nan di-qu jing-ji di-li) Beijing: Ke-xue chu-ban-she, 1959, translated in JPRS No.14,954; pp. 48 and 50.
- (117) Vogel, Canton Under Communism, p. 372.
- (118) Guangdong Land Reform Committee, 'Summing up report ...'

- (119) NFRB, 21st Dec. 1955, cited in Vogel, Canton under Communism, p. 144.
- (120) Guangdong Land Reform Committee, 'Summing up report ...'
- (121) *ibid.*
- (122) 'Land reform basically completed in Zhong Shan xian' NFRB, 31st July 1950.
- (123) Population of Zhong Shan xian in 1948 = 750,000 (see Appendix D, Table 2).
- (124) Guangdong Land Reform Committee, 'Summing up report ...'
- (125) West Guangdong Party Committee Office, 'West Guangdong region's great achievement in land reform', NFRB, 28th Apr. 1953.
- (126) Wu Pu-nan, 'On the basis of the victory of land reform, with great effort expand agricultural production', NFRB, 26th Apr. 1953.
- (127) *ibid.*
- (128) For details of the official functions of the Peasants' Association see 'General Regulations Governing the Organisation of Peasants' Association', 14th July 1950, in The Agrarian Reform Law.
- (129) Yang, A Chinese Village, p. 175.
- (130) "... peasants' associations are legal organs in the rural areas for reforming the agrarian system". (Source: 'General Regulations Governing the Organisation of Peasants' Associations').
- (131) Guangdong Land Reform Committee, 'Summing up report ...'
- (132) Yang, A Chinese Village, p. 173.
- (133) *ibid.*
- (134) 'Concise and important materials ...'
- (135) *ibid.*
- (136) Presumably a sub-section of the survey published in *ibid.*
- (137) Even in absolute terms there was a considerable gap between the expansion of different strata. From the end of land reform until the end of 1954, the average poor and hired peasant household (using the classifications of the end of land reform) increased its ownership of arable land by 1.24 mou, compared to only 0.53 mou for middle peasant households, and 0.50 mou for rich peasant households. (Source: *ibid.*)
- (138) Unfortunately there is no data showing the absolute levels of increase of these means of production, and it is probable that the better-off peasants increased their ownership on average rather more in absolute terms than poorer peasants despite their slower rate of increase, due to the quite sizeable initial gap in the absolute levels.

(139) *ibid.*

(140) A study in Cao Tang xiang in Hunan province in 1954 is probably fairly typical in respect to its analysis of the position of poor peasants. It found that 32 per cent of the households were 'poor peasants'. It split the poor peasants into three sub-groups for analytical purposes. In the first group were 44 per cent of the poor peasant households; these had production and livelihood difficulties, but had strong or relatively plentiful labour power and some means of production. The second group comprised 37 per cent of the poor peasant households; in this group were those households with an adverse worker-dependent ratio and which had "relatively great production difficulties". The third group comprised 18 per cent of poor peasant households. These were the old, the weak, and the lonely, who had "great livelihood difficulties"; for the most part they relied on help from relatives and friends and assistance from the state (Source: Su Xing, 'The struggle between the socialist and capitalist roads in the countryside after land reform', Part III, JJYJ, No.9, 1965).

(141) See for example, (i) Tong Da-lin, The great development; and (ii) Hsueh Mu-chiao (Xue Mu-qiao), Su Hsing (Su Xing), and Lin Tse-li (Lin Zi-li), The Socialist Transformation of the National Economy in China, Beijing: Foreign Languages Press, 1960.

(142) The most extended treatment of this theme is the article by Zhang You-ren, 'The road to the elimination of China's rich peasant economy', JJYJ, No.6, 1956. Zhang pointed out that in pre-revolutionary China the rich peasant economy was weaker than in Russia before its revolution. In China the rich peasants formed only about five per cent of the rural population, owned about ten per cent of the land and a slightly higher percentage of draft animals; only a tiny minority used modern machine-based farming. For the most part, he said, they rented out some land, and rented some in, with the net balance on the side of land rented out, and indulged in usury and some hiring of labour. Their character was thus semi-feudal according to Zhang. He catalogues the restrictions placed on their development through being weakened during land reform itself, and afterwards through mutual aid and co-operation, and unified purchase and marketing of agricultural produce. Zhang pointed out that prior to collectivisation the rich peasants only had about twice as much land and other means of production as the average peasant, and that generally speaking they either did not hire labour or hired only a small amount. After the announcement of the 'general line' in the winter of 1953 the rich peasants experienced increasing political isolation and growing economic weakness so that their resistance grew less -

this meant, according to Zhang, that "the elimination of the rich peasants did not require a special movement like land reform, or collectivisation in Russia".

Mao in the early 1960s went even further than this, and said that to all intents and purposes China had done away with the rich peasant economy during land reform (Source: Mao Tse-tung 'Reading notes on the Soviet Union's 'Political Economics'', (1961-62) in Miscellany of Mao Tse-tung Thought (1949-1968), Part II, Arlington, Virginia; Joint Publications Research Service, 1974, p. 309).

- (143) For a detailed account, with special reference to Guangdong province, see Kenneth R. Walker, 'Collectivisation in Retrospect: The 'Socialist High Tide' of Autumn 1955-Spring 1956', China Quarterly, April-June 1966; see also Vogel, Canton Under Communism, pp. 146-56.
- (144) Shi Jing-tang, Materials on the Agricultural Co-operation Movement in China (Zhong-guo nong-ye he-zuo-hua yun-dong shi-liao) Beijing, 1957, p. 1018.
- (145) *ibid.*, p. 999.
- (146) *ibid.*, p. 1019. 3.338 million households had joined 13,584 higher-stage APCs, with an average of 245.8 in each APC.
- (147) Guangdong CCP Committee Propaganda Department, 'Affirm achievements, overcome shortcomings; consolidate the victory of the APCs struggle for the achievement of even greater agricultural production', NFRB, 19-20th Jan. 1957.
- (148) Model Regulations for an Agricultural Producers' Co-operative (17th Mar. 1956) Beijing: Foreign Languages Press, 1976, p.9.
- (149) *ibid.* p. 11.
- (150) Editorial, 'Justly and fairly appraise the output from land which is brought into the co-operative', RMRB, 3rd Dec. 1955, also in XHBYK, No.1, 1956.
- (151) *ibid.*
- (152) Model Regulations for an Agricultural Producers' Co-operative.
- (153) *ibid.*, p.10.
- (154) Model Regulations for Advanced Agricultural Producers' Co-operatives (30th June 1956), Beijing: Foreign Languages Press, 1956, p. 10.
- (155) see Walker, 'Collectivisation in Retrospect ...' p. 36.
- (156) For lower-stage APCs see Model Regulations for an Agricultural Producers' Co-operative (17th Mar. 1956) chapter 4, and for higher-stage APCs see Model Regulations for Advanced Agricultural Producers' Co-operatives (30th June 1956), pp. 12-13.

- (157) "Land itself is not a product of labour and when it was turned over to the co-operative, land dividends were eliminated and no compensation given on taking it into collective ownership. The other means of production apart from land includes: lotus ponds, fish ponds, reed swamps, draft animals, and large agricultural and sideline production tools; large quantities of fruit trees, tea plants, mulberry bushes, bamboo groves, tong oil trees, lacquer trees and other economic trees; large quantities of useful trees around the village; flocks of farm animals, and so on - these are the fruits of the peasants' labour. According to the Marxist-Leninist principle of not exploiting the workers, when they were turned over to the co-operative, in accordance with the amount of labour power expended and the amount of wear and tear, a definite price for the means of production was given to the original owners" (Su Xing, Our Country's Socialist Path in Agriculture (Wo guo nong-ye de she-hui zhu-yi dao-lu), Beijing: People's Publishing House, 1976, pp. 88-9.
- (158) Model Regulations for Advanced Agricultural Producers' Co-operatives p. 12.
- (159) Tao Zhu, 'We must certainly carry out well construction work in Guangdong', NFRB, 30th Aug. 1956.
- (160) Guangdong CCP Committee, 'Directive on carrying out well the work of end-of-year income distribution in the APCs', NFRB, 4th Nov. 1956.
- (161) See, for example: (i) Deng Zi-hui, 'The situation of the past year's agricultural co-operativisation movement and the future tasks', XHBYK, No.14, 1956, in which he said: "Some co-ops have given too low a price in taking draft animals, agricultural implements, fruit trees, and water works, into common ownership and have even taken some means of production into co-ops without giving a price for them, and have encroached on the advantage of the middle peasant"; (ii) 'Directive from the Central Committee of the CCP concerning some concrete questions about the distribution of the autumn harvest in the APCs', XHBYK, No.24, 1956; (iii) 'Directive from the Central Committee of the CCP and the State Council on the consummation of spring cultivation for a bumper agricultural crop in 1957 (2nd Apr. 1957)' translated in SCMP, No.1502; (iv) Deng Zi-hui, 'The APCs internal contradictions and democratic management', XHBYK, No.11, 1957 in which he said: "The principal contradiction among APC members is that between the poor and the middle peasants ... For example, matters like the giving of too low a price when they were brought into the co-op, like the purchase price not paid on time, have led to the dissatisfaction of the upper middle peasants".
- (162) Model Regulations for Advanced Agricultural Producers' Co-operatives, p. 11.

- (163) *ibid.*, p. 12.
- (164) Tao Zhu thought that in general it was about right for domestic sideline production to come to around 25 per cent, and co-op income distributed to peasants to about 75 per cent, of co-op members' total income (Source: Tao Zhu, 'Twelve contradictions among the people in Guangdong', NFRB, 5th May 1957).
- (165) 'Shun De xian basically solves the question of upper middle peasants leaving the APC', NFRB, 6th Apr. 1957. In 1957 in Shun De it was ruled that fruit groves with less than five trees could be returned to private ownership, and where the groves had more trees they could also be returned to private ownership where suitable (Source: *ibid.*).
- (166) See, for example, 'The way in which to ensure that the agricultural co-operatives increase production and increase co-op members' income', NFRB, 15th Sep. 1956.
- (167) For a full discussion see Kenneth R. Walker, Planning in Chinese Agriculture, London: Frank Cass, 1965, especially Chapter 4. In June 1957, the 'retreat' went so far as to allow private plots equal to ten per cent of the arable land per head in the villages (Source: *ibid.*, p. 69).
- (168) 'Central Committee of CCP and State Council issue joint directive on distribution of summer harvest', NFRB, 16th June 1957.
- (169) 'CCP Central Committee directive on methods of applying the policy of mutual benefit among co-op members', translated in SCMP, No.1618, 26th Sep. 1957.
- (170) *ibid.*
- (171) Model Regulations for Advanced Agricultural Producers' Co-operatives, p. 10.
- (172) *ibid.*
- (173) See for example: (i) Deng Zi-hui, 'The situation of the past year's agricultural co-operativisation movement ...', and (ii) 'Directive from the Central Committee of the CCP concerning some concrete questions ...'
- (174) 'CCP Central Committee directive on methods of applying the policy of mutual benefit among co-op members'. Again, for more details Walker, Planning, Chapter 4. See also, Kenneth R. Walker, 'Organisation of Agricultural Production', in Alexander Eckstein, Walter Galenson, and Ta-Chung Liu, (eds.) Economic Trends in Communist China, Chicago: Aldine Publishing Company, 1968, pp.437 - 440.
- (175) Model Regulations for an Agricultural Producers' Co-operative, p. 18.

- (176) *ibid.*
- (177) Model Regulations for Advanced Agricultural Producers' Co-operatives, pp. 13 - 14.
- (178) *ibid.*, p. 14.
- (179) *ibid.*
- (180) *ibid.*
- (181) *ibid.*
- (182) *ibid.*
- (183) See, for example, 'The experience of Gang Lie APC in developing the democratic method of fixing income distribution', NFRB, 14th July 1957.
- (184) *ibid.*
- (185) *ibid.*
- (186) Deng Zi-hui, 'The situation of the past year's agricultural co-operativisation movement ...'
- (187) Statistical Work, 'Survey data on the distribution of co-operative income ...'
- (188) A survey of 228 APCs in 23 provinces and two autonomous regions in 1957 found that the proportion of gross collective income occupied by different items were as follows: (Unit: per cent)
- | | | | |
|----------------|---------|---------------------|--------|
| Aggregate | = 100.0 | Public accumulation | |
| Tax revenue | | fund | = 5.6 |
| for state | = 9.5 | Public welfare fund | = 1.2 |
| (Agricultural | | Remuneration for | |
| tax) | = (9.0) | labour | = 53.2 |
| Production | | Payment for | |
| expenses | = 28.4 | capital goods | = 0.5 |
| Administrative | | Other payments | = 1.2 |
| expenses | = 0.4 | | |
- Source: Statistical Investigation, 'Investigatory materials on distribution of income in 228 agricultural co-operatives ...'
- (189) For the whole paragraph see Model Regulations for Advanced Agricultural Producer Co-operatives, Chapters 6-7.
- (190) For the whole paragraph see Qin Wei-ruo, The distribution of income in advanced APCs (Gao-ji nong-ye-sheng-chan he-zuo-she de shou-ru fen-pei), Beijing: Simple and Popular Reading Materials Publishing House, 1956, pp. 52 - 3.
- (191) *ibid.*, pp. 49 - 50.
- (192) *ibid.*, p. 54.
- (193) Tao Zhu, 'We must certainly carry out well ...'
- (194) See (i) Deng Zi-hui, 'The situation of the past year's agricultural co-operativisation movement ...'; and (ii) 'Central Committee of CCP and State Council issue joint directive on distribution of summer harvest'.

- (195) 'From Shun De xian see the evil result of an incorrect line in production', NFRB, 23rd Nov. 1956.
- (196) 'Shun De xian basically solves the problem ...'
- (197) *ibid.*
- (198) (i) 'A preliminary investigation of the question of increasing the income of poor peasants', ZGNB, No.19, 1957; (ii) Li Bai-guan, 'On the distribution of income in higher-stage APCs, XJS, No.7, 1957.
- (199) 'A preliminary investigation of the question of increasing the income of poor peasants'.
- (200) *ibid.*
- (201) *ibid.*
- (202) Model Regulations for Advanced Agricultural Producer Co-operatives, pp. 29-33
- (203) Qin Wei-rao, The distribution of income, p. 26.
- (204) Editorial, 'Continue to put right the phenomenon of excluding the poor peasants', RMRB, 28th Dec. 1955; see also Lin Ming, 'The idea of relying on the poor peasants must be firmly established', XX, No.11, 1955.
- (205) Model Regulations for Advanced Agricultural Producer Co-operatives, p. 29.
- (206) *ibid.*
- (207) Guan Shan, 'Concerning disaster-relief work in the villages', NFRB, 10th Aug. 1957.
- (208) *ibid.*
- (209) *ibid.*
- (210) *ibid.*
- (211) Deng Zi-hui, 'The situation of the past year's agricultural co-operativisation movement ...'
- (212) 'Central Committee of CCP and State Council issue joint directive on distribution of summer harvest.'
- (213) See Chen Zhao, 'A study of the method of grain distribution in the APCs', LS, No.5, 1957, translated in ECNM, No.89, 1957.
- (214) 'The experience of Gang Lie APC ...'
- (215) Statistical Investigation, 'Investigatory materials on distribution of income in 228 agricultural co-operatives ...'
- (216) *ibid.*
- (217) This is explicitly suggested in *ibid.*
- (218) 'A preliminary investigation of the question of increasing the income of poor peasants'.
- (219) Model Regulations for Advanced Agricultural Producer Co-operatives, p. 17.

- (220) Tao Zhu, 'Develop enthusiasm to a high level, struggle hard for a bumper harvest this year', NFRB, 22nd Feb. 1957.
- (221) *ibid.*
- (222) *ibid.*
- (223) 'Central Committee of CCP and State Council issue joint directive on distribution of summer harvest'.
- (224) 'CCP Central Committee directive on methods of applying the policy of mutual benefit among co-op members'.
- (225) *ibid.*
- (226) *ibid.*
- (227) See Appendix E, Table 10, and Tables 5.15, 5.25 and 5.27.
- (228) 'We must not be fooled by Luo Yi-qun', NFRB, 10th Aug. 1957.
- (229) This mode of analysis of peasant economy originated in the writings of A. Chayanov in the Soviet Union in the 1920's. For a succinct discussion of the relevant aspects of Chayanov's work see B. Kerblay, 'Chayanov and the theory of the Peasantry as a Specific type of Economy', in T. Shanin (ed) Peasants and peasant societies, Harmondsworth: Penguin Books, 1971.
- (230) This is not to say that collective agriculture has always been dominant. There were areas of China in the early 1960's where this probably was not so.

Conclusion. Notes

- (1) For example, the growth in supplies nationally of some important inputs was: 10%

Item

Flows:

1. Rural power consumption	b.Kwh.	1.6	27.0
2. Small scale cement output	m.tons	1.6	36.0 (1977)
3. Chemical fertiliser output	m.tons	2.8	48.0

Stocks:

1. Irrigation and drainage equipment	m.h.p.	5.8	65.6
2. Tractors	m.h.p.	1.5	19.1
3. Power tillers	m.h.p.	-	8.0
4. Stocks of the three types of machinery	m.h.p.	7.3	92.7
	h.p.per cultivated ha.	0.07	0.87

Source: T.G. Rawski, Economic Growth and Employment in China, London: Oxford University Press, 1979, pp. 80-81.

- (2) The most commonly-quoted figure is that the agricultural tax has declined from the peak of 12% of grain output in China in the early 1950's to around 5% in the mid-1970's (see, for example, New China's First Quarter-Century, Peking: Foreign Languages Press, 1975, p. 43)
- (3) The national price 'scissors' (i.e. index of state purchase price of agricultural commodities ÷ index of price of industrial commodities sold to the peasantry) shifted from 100 in 1952 to 170 in 1977, (Zhu Wei-wen, 'With great effort organise the exchange of industrial and agricultural commodities', JJYJ, 1979, No. 4, p. 79), which represents a considerable improvement compared to the end of the First Five Year Plan (see Chapter 2).

- (4) Output per capita of industrial goods in China:

<u>Item</u>	<u>Unit</u>	<u>1957</u>	<u>1978</u>	<u>% change</u>
Salt	Kgs.	12.9	20.4	+58
Sugar	Kgs.	1.3	2.4	+85
Woollen fabrics	metres	0.022	0.093	+323
Cotton cloth	metres	7.9	11.5	+46
Bicycles	No. of people per unit	800	113	-
Sewing machines		2137	196	-
Watches		-	71	-

Sources: W. Klatt, 'China's New Economic Policy: A Statistical Appraisal', CQ, No. 80, December 1979, pp. 730-731;
N.R. Chen, Chinese Economic Statistics, Edinburgh: Edinburgh University Press, 1966, pp. 188-189; 'Communique on Fulfillment of China's 1979 Economic Plan', BR, No. 19, May 12th 1980.

- (5) From Appendix B, Table 8.

- (6) The years for which data were given for Guangdong province seem to have been provided to give the gloomiest possible interpretation of agricultural performance during the Cultural Revolution. Without data for years before and after 1966 conclusions must be tentative.

- (7) Zhang Liu-zheng, 'Develop agricultural production; transform the peasants' living standard', NYJJWT, 1980, No. 1.
- (8) J. Unger, 'Collective incentives in the Chinese countryside: lessons from Chen village', World Development, Vol. 6, No. 5, May 1978, pp. 596-7.
- (9) According to a report from a number of provinces, of the total amount of farm investment from 1949 to 1979, only 24 per cent had come from the state, the rest from the peasants' own savings (Zhang Liu-zheng, 'Develop agricultural production; transform the peasants' living standard'). The share of state capital construction funds devoted to agriculture came to only 10.7 per cent in 1978, and rose to 14 per cent in 1979 (Yu Qiu-li, 'Arrangements for the 1979 National Economic Plan', BR, No. 29, 20th July 1979) and are planned to rise to 18 per cent (approximately) in 1983-1985 ('The Agricultural Development Programme', BR, No. 12, 24th March 1980).
- (10) This is the view reached by Zhang Liu-zheng ('Develop agricultural production; transform the peasants' living standards'): 'If one excludes the element of price increase then real living standards [of commune members] did not increase at all [from 1965 to 1977]'.
- (11) Xue Mu-qiao, A Study of the problems of China's socialist economy (Zhong-guo she-hui-zhu-yi jing-ji wen-ti), Beijing: Ren-min chu-ban-she, 1979, p. 94.
- (12) S. Schram, 'The Cultural Revolution in Historical Perspective', in S. Schram (ed.) Authority, Participation and Cultural Change, Cambridge: Cambridge University Press, 1973, p. 25.
- (13) C. Howe, Wage Patterns and Wage Policy in Modern China 1919-1972, Cambridge: Cambridge University Press, 1973, p. 31.
- (14) *ibid.*
- (15) 'Communique on fulfillment of China's 1978 National Economic Plan', BR, No. 40, 6th July 1979, p. 40.
- (16) See, for example, Peng Kuang-hsi, Why China has no inflation, Beijing: Foreign Languages Press, 1976, p. 7.
- (17) Howe, Wage Patterns and Wage Policy, pp. 245-7.
- (18) *ibid.*, p. 252.
- (19) Lin Yang, 'Medical and Health Service', BR, No. 25, 23rd June 1980.
- (20) Derived from (i) W. Klatt, 'China's New Economic Policy', CQ, No. 80, December 1979, p. 730, and Rawski, Economic Growth and Employment in China, p. 33, (population); (ii) Lin Yang, 'Medical and Health Service', p. 20 (numbers of hospital beds).
- (21) Xue Mu-qiao, A study of the problems of China's socialist economy, p. 94. For a similar view from Western authors see W.L. Parrish and M.K. Whyte, Village and Family in Contemporary China, Chicago and London: University of Chicago Press, 1978, pp. 52-4.

- (22) E.F. Vogel, Canton Under Communism, Harper Torchbooks, New York: Harper and Row, 1969, p. 249.
- (23) *ibid.*, using a figure of around 32 million for the peasant (nong-min) population of Guangdong at the end of the 1950's (see Appendix B, Table 34).
- (24) Tao Zhu, 'Report of an investigation in Humen people's commune', RMRB, 25th February 1959, translated in SCMP, No. 1971.
- (25) The production team was a constituent unit of the production brigade; the latter was said to be roughly the size of the former higher-stage APC (Tao Zhu, 'People's Communes [in Guangdong] making progress', HQ, No. 4, 26th February 1964).
- (26) 'Carry out well the work of distributing the autumn harvest; promote the development of production', SY, (50-51) 1960, No. 20-21.
- (27) Zhong Cheng-zhang, 'On differential rent in China's rural communes', HQ, No. 23, 1st December 1961, translated in JPRS, No. 12404.
- (28) NFRB, 20th February 1980.
- (29) Trip Notes, Queen Elizabeth House, Oxford, China Study Group, June 1979.
- (30) Li Zuo-ji, 'Pearl River delta - production bastion for grain and sugar', RMRB, 18th January 1966, translated in JPRS, No. 34,305.
- (31) *ibid.*
- (32) B. Stavis, Making Green Revolution, Ithaca, N.Y.: Cornell University, 1974, p. 46.
- (33) Wu Yu-wen, Guangdong's Geographical Situation (Guang-dong di-li gai-kuan), Guangzhou: Guang-dong Ren-min Chu-ban-she, 1973, p. 28.
- (34) 'Promoting agricultural scientific skill, raising the level of scientific farming', NFRB, 19th January 1980.
- (35) For an explicit discussion of the marketing question see Li Zou-ji, 'Pearl River delta ...'
- (36) By the early 1980's, however, yields had reached very high levels: in Nan Hai xian in 1979 the annual yield per hectare of paddy rice had reached 9 tons and in Fo Shan municipality they were almost 13 tons per hectare (see Table 6.1).
- (37) See Footnote (9) above.
- (38) Trip Notes, Queen Elizabeth House, Oxford, China Study Group, June 1979.
- (39) On Hainan Island in 1980 it was reported that coffee or rubber brought in three times the income per hectare as rice, and pepper 20-30 times as much ('Hainan - A Treasure Island', BR, No. 42, 20th October 1980, p. 19). In Tou Men xian in the Pearl River delta in 1979 the net income per mou from sugar cane was twice that for paddy rice (Guangdong Province, Tou Men xian, Party Propaganda Dept., Philosophy Study Group, 'Two questions concerning paying simultaneous attention to the interests of the state, the collective and the individual in a sugar-cane area', JJYJ, 1979, No. 6).

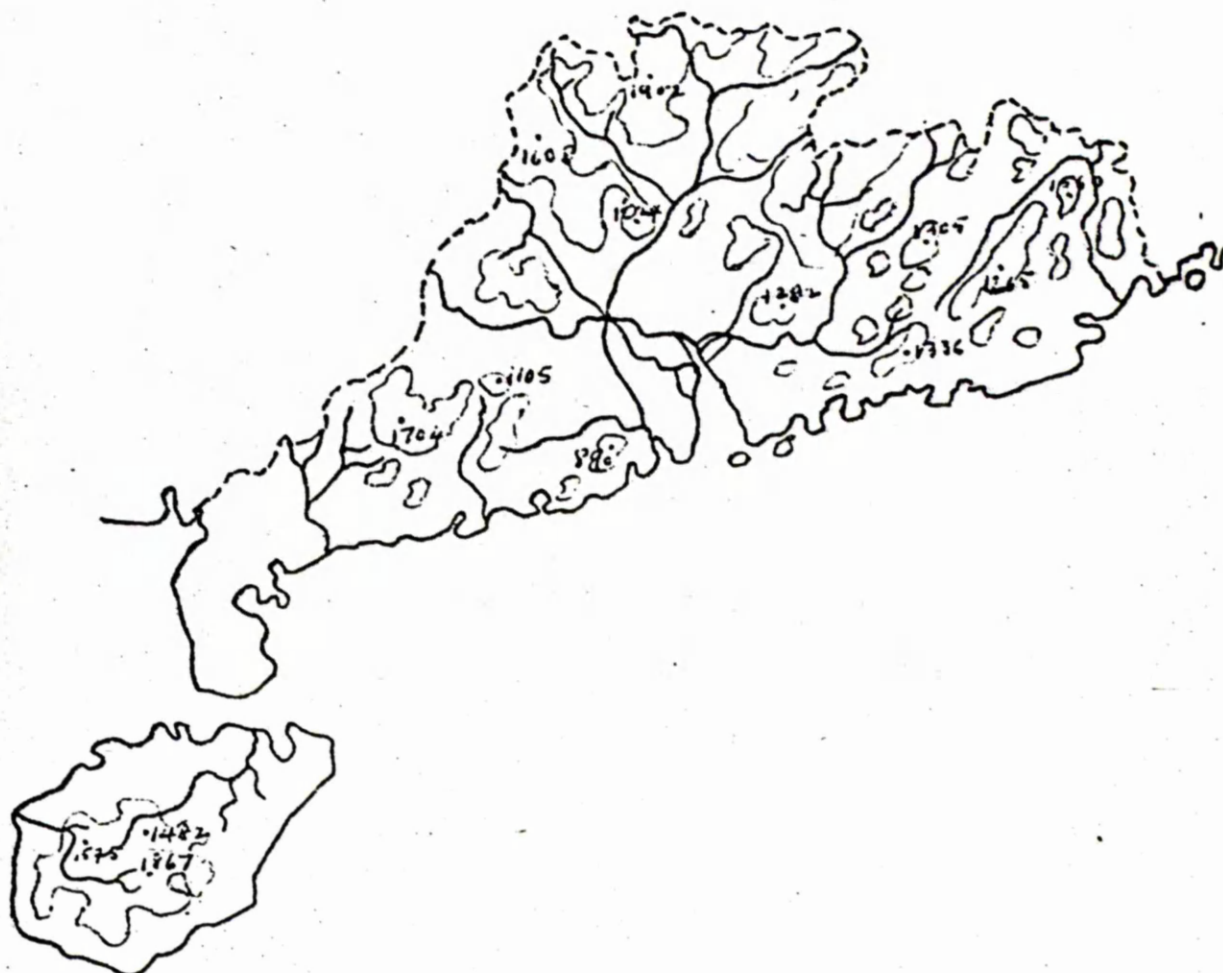
- (40) This is indeed the impression given in Wu Yu-wen, Guangdong's Geographical Situation.
- (41) Evidence on migration between rural areas is limited. However, what information there is tends to suggest that administrative constraints do exist, exercised through the collective structure. Moreover, in Guangdong, lineage loyalties remain strong, and these help to buttress administrative constraints (Parrish and Whyte, Village and Family in Contemporary China, p. 59).
- (42) Su Xing, Our country's socialist path in agriculture (Wo guo nong-ye de she-hui zhu-yi dao-lu), Beijing: Ren-min chu-ban-she, 1976, p. 133. Common accumulation as a proportion of gross income rose in the following fashion in Da Zhai: 1958 = 9.6%, 1964 = 16.2%. 1971 = 22.7% (ibid.).
- (43) The 1958 regulations said that the tax rate should be adjusted to each area's 'ability to pay the tax', and called for a 'continual readjustment' in the tax burden as agricultural development proceeded and 'new inequalities' arose ('An important reform in the system of agricultural taxation', DGB (Beijing), 5th June 1958, translated in SCMP, No 1812).
- (44) For example, in 1979, Zhen Zhong, Vice-Minister of Agriculture, stated: 'The grain tax has not only not changed in total [since the early 1950's] but also there has not been any redistribution in the allocation of the tax between provinces or counties' (Trip Notes, Queen Elizabeth House, Oxford, China Study Group (June 1979)).
- (45) Shi Shan, 'Where is the breakthrough point to rapid agricultural growth in our country?', NYJJWT, 1980, No. 2.
- (46) D.G. White, 'The politics of hsia-hsiang youth', CQ, No. 59, July-September 1974, p. 503.
- (47) 'Revised Draft Regulations Governing Rural People's Communes' (September 1962), Article 40, cited in C.S. Chen and C.P. Ridley, Rural People's Communes in Lien Chiang Stanford, California: Hoover Institution Press, 1968, p. 18.
- (48) Vogel, Canton Under Communism, p. 280.
- (49) Socialist Collective Ownership System (she-hui-zhu-yi ji-ti suo-you-zhi), Guangxi: Guangxi People's Publishing House, 1976, Ch. 5, Part 1.
- (50) Shanghai xian CCP Committee, 'We must still struggle to fight - an understanding of "on the question of agricultural co-operation", 'XXYPP, No. 7, 1975.
- (51) Guan Feng, 'Supply grain plus wages enforced in Henan rural areas', RMRB, 29th September 1958, translated in SCMP, No. 1875.
- (52) ibid.
- (53) (i) Chen Yi-yan, 'Acknowledgement of differences versus egalitarian distribution', NFRB, 21st December 1960; (ii) Editorial, 'The ratio of three to seven', NFRB, 12th November 1960.

- (54) See Gong Dian-bo, A Discussion of the Distribution Policy in the People's Communes (Tan-tan nong-cun ren-min-gong-she fen-pei zheng-ce), Guangzhou: Guangdong People's Publishing House, 1974, Ch. 4, Section 1.
- (55) *ibid.*, Chapter 2, Section 2.
- (56) This tendency was reported widely in NFRB in Spring 1979.

STATISTICAL APPENDIX.

APPENDIX A

Figure 1. Topographical map of Guangdong.
unit= metres.



Key



Over 500 metres.

Note : Boundaries are those of 1974.

Source : Provincial Atlas, p.147.

APPENDIX B

TABLE 1: Arable area in Guangdong (Unit: million mou)

Year	Arable area	Date of Information
"Pre-Liberation"	48 (1)	18th Aug. 1957
1949	40 (2)	9th Feb. 1950
1950	45.277 (3)	1957
	51.92 (4)	29th June 1950
1951	45.975 (3)	1957
	53.54 (5) (a)	6th Jan. 1952
1952	50.754 (3)	1957
1953	51.09 (6) (b)	17th Aug. 1954
	51.976 (3)	1957
1954	55.000 (7) (b)	9th June 1954
	52.364 (3)	1957
1955	57 (8) (c)	1956
	56.787 (3)	1957
1956	57 (9) (d)	3rd Jan. 1958
1957	57.9 (10) (e)	1959

- Sources:
- (1) Li Wen-hua, 'From the expansion ...'
 - (2) 'A discussion about increasing grain and cotton seed output in Guangdong', NFRB, 9th Feb. 1950.
 - (3) Shi Jing-tang, 'Materials on the agricultural co-operation movement in China' (Zhong-guo nong-ye he-zuo-hua yun-dong shi-liao), Beijing, 1957, pp.993-99.
 - (4) NFRB, 29th June 1950 (quoted in Committee on the Economy of China, Provincial Agricultural Statistics for Communist China, New York, 1969).
 - (5) NFRB, 6th Jan. 1952 (quoted in Committee, Provincial Agricultural Statistics).
 - (6) NFRB, 17th Aug. 1954 (quoted in Committee, Provincial Agricultural Statistics).
 - (7) NFRB, 9th June 1954 (quoted in Committee, Provincial Agricultural Statistics).
 - (8) Liang Ren-cai, Economic Geography of Guangdong, pp.21-2.
 - (9) 'Guangdong province plan for agricultural construction from 1956 to 1967 (revised draft), NFRB, 3rd Jan. 1958.
 - (10) Liang Ren-cai, et al., Economic Geography of South China, p.61.

.../Cont'd

TABLE 1: (Cont'd)

- Notes:
- (a) Derived: arable area in 1951 expanded by 1.62 million mou on 1950 (Source: 'The achievement of Guangdong in financial work last year', NFRB, 6th Jan. 1952).
 - (b) Unable to locate these figures in issues of NFRB listed in Committee, Provincial Agricultural Statistics.
 - (c) Of which: long-growing cash crops = 3 million mou; short-growing cash crops = 4 million mou; food grains = 50 million mou (of which: paddy field = 45 million mou).
 - (d) Of which: paddy field = 45 million mou; dry field = 12 million mou.
 - (e) Of which: paddy field = 42.620 million mou; dry field = 15.380 million mou.

TABLE 2: Sown area of foodgrains^(a) in Guangdong (Unit: million mou)

Year	Sown area	Date of information
1949	83.77 (1)	1959
1952	88.62 (1)	1959
1954	91.0 (2)	November 1956 (b)
	91.63 (3)	5th Oct. 1955
1956	100.40 (1)	1959

- Sources:
- (1) Liang Ren-cai, et al., Economic Geography of South China, p.63.
 - (2) Liang Ren-cai, Economic Geography of Guangdong, p.25.
 - (3) 'Report on the development of the national economy ...'

- Notes:
- (a) All foodgrains including coarse grains.
 - (b) Specifically excludes Qin Zhou s.d.

TABLE 3: Sown area of peanuts in Guangdong
(Unit: million mou)

<u>Year</u>	<u>Sown area</u>	<u>Date of information</u>
1952	2.34 (1)	8th Apr. 1956
1953	2.36 (2) (a)	7th Feb. 1955
1954	2.72 (3)	5th Oct. 1955
1955	3.3 (4)	3rd Jan. 1958
	3.31 (5) (b)	30th Aug. 1957
1956	3.29 (5)	30th Aug. 1957
1957	3.787 (6)	1957

- Sources:
- (1) Liang Ren-cai, Economic Geography of Guangdong, p.101.
 - (2) Gu Da-cun, '... work report'.
 - (3) 'Report on the development of the national economy ...'
 - (4) 'Guangdong province plan for agricultural construction ...'
 - (5) Tao Zhu, 'We must certainly carry out well ...'.
 - (6) Liang Ren-cai et al., Economic Geography of South China, p.71.

- Notes:
- (a) Derived: sown area in 1954 increased by 0.358 million mou in relation to 1953.
 - (b) Derived: planned sown area for 1956 was 4.00 million mou, "an increase of 0.69 million mou on the actual sown area in 1955".

TABLE 4: Sown area of sugar cane in Guangdong
(Unit: million mou)

Year	Sown area	Date of information
1936	0.87 (1)	18th Aug. 1957
1949	0.472 (1)	18th Aug. 1957
1952	0.940 (2)	31st Oct. 1953
	1.060 (3)	8th Apr. 1956
1953	0.959 (4) (a)	7th Feb. 1955
1954	1.18 (5)	5th Oct. 1955
1955	1.33 (6)	3rd Jan. 1958
1956	1.32 (1) (b)	18th Aug. 1957
	1.33 (7)	30th Aug. 1957
1957	1.760 (8)	1957

Sources: (1) Li Wen-hua, 'From the expansion ...'

(2) Tao Zhu, 'The tasks of the party in South China under the First Five Year Plan for economic construction', NFRB, 31st Oct. 1953.

(3) Liang Ren-cai, Economic Geography of Guangdong, p.99.

(4) Gu Da-cun, '... work report'.

(5) 'Report on the development of the national economy ...'

(6) 'Guangdong province plan for agricultural construction ...'

(7) Tao Zhu, 'We must certainly carry out well ...'

(8) Liang Ren-cai, et al., Economic Geography of South China, p.71.

Notes: (a) Derived: sown area in 1954 was 0.221 million mou above 1953.

(b) Derived: 1956 sown area was 0.450 million mou above 1936 and 0.850 million mou above 1949 (an increase of 180 per cent).

TABLE 5: Sown area of jute in Guangdong
(Unit: million mou)

Year	Sown area	Date of information
1952	0.132 (1)	8th Apr. 1956
1953	0.112 (2) (a)	7th Feb. 1955
1954	0.140 (3)	5th Oct. 1955
1955	0.250 (4)	3rd Jan. 1958
1956	0.256 (5)	30th Aug. 1957
1957	0.375 (6)	1957

- Sources: (1) Liang Ren-cai, Economic Geography of Guangdong, p.101.
 (2) Gu Da-cun, '... work report'.
 (3) 'Report on the development of the national economy ...'
 (4) 'Guangdong province plan for agricultural construction ...'
 (5) Tao Zhu, 'We must certainly carry out well ...'
 (6) Liang Ren-cai et al., Economic Geography of South China, p.71.

- Notes: (a) Derived: sown area in 1954 was 28,000 mou higher than in 1953.

TABLE 6: Sown area of mulberry in Guangdong
(unit: million mou)

Year	Sown area	Date of information
1952	0.240 (1)	8th Apr. 1956
1955	0.160 (2)	3rd Jan. 1958
	0.160 (3) (a)	30th Aug. 1957
1956	0.180 (3)	30th Aug. 1957
1957	0.196 (4)	1957

- Sources: (1) Liang Ren-cai, Economic Geography of Guangdong, p.99.
 (2) 'Guangdong province plan for agricultural construction ...'
 (3) Tao Zhu, 'We must certainly carry out well ...'
 (4) Liang Ren-cai et al., Economic Geography of South China, p.71.

- Notes: (a) Derived: planned sown area for 1956 was 210,000 mou, an increase of 50,000 mou on 1955.

TABLE 7: Sown area of minor economic crops in Guangdong
(Unit: thousands of mou)

Item	1936	Pre-Liberation	1949	1952 ⁽²⁾	1955	1956
Tea	160(1)	-	80(1)	-	150 (3)	164 (1)
Ramie	-	7(1)	-	5.5	15 (3)	18 (1)
Citrus fruit	-	-	-	99.6	150 (3)	-
Banana	-	-	-	98.4	90 (3)	-
Pineapple	-	-	-	51.0	110.0(3)	-
Yellow tobacco	-	-	-	71.0	80.0(3) -83.0(4)	136.5(4)
Brown tobacco	-	-	-	175.0	240.0(3)	278.0(4)
Rapeseed	-	-	-	228.0	430.0(3)	-
Sesame	-	-	-	72.6	200.0(3)	-

Dates of information: (1) 18th Aug. 1957

(2) 8th Apr. 1956

(3) 3rd Jan. 1958

(4) 30th Aug. 1957

Sources: (1) Li Wen-hua, 'From the expansion ...'

(2) Liang Ren-cai, Economic Geography of Guangdong, pp.100-101

(3) 'Guangdong province plan for agricultural construction ...'

(4) Tao Zhu, 'We must certainly carry out well ...'

Table 8 Growth of Guangdong population

<u>Year/Date</u>	<u>Land area</u> (square kilometres)	<u>Population</u> (million)
1953 (30th June 1953)	231,400 (1)	34.770 (1)
1953	230,000 (approx.) (2)	(36.700 (2) (a))
1954 (31st Dec. 1954)	-	35.890 (3) (b)
1957	230,000 (approx.) (4)	38.0 (approx.) (5) (c) (d)
	-	(40.68 (approx.) (6) (a) (c))
1957 (year-end)	-	37.960 (7)
1959 (August)	231,400 (8)	-
1964 (mid-year) (e)	220,000 (+) (9)	42.89 (9)
1976	220,000 (f)	53.5 (10)
1979	220,000 (f)	55.9 (11)

- Sources: (1) S. Chandrasekhar, China's Population, Hong Kong: Hong Kong University Press, 1959, p. 40; see also State Statistical Bureau, 'Communique of the results of the population census of the whole country', TJGZ, No. 8, 1955.
- (2) Liang Ren-cai, Economic Geography of Guangdong, p. 2.
- (3) Hu Huang-yun, 'An index chart of area and population of China by province and region', DLZS, No. 9, 1957 (quoted in Chen, Chinese Economic Statistics, p. 132).
- (4) Liang Ren-cai, et al., Economic Geography of South China, p. 27.
- (5) *ibid.*, p. 48.
- (6) *ibid.*, p. 149.
- (7) State Statistical Bureau, Ten Great Years, p. 12.
- (8) People's Handbook (Ren-min shou-ce), Beijing: Da-gong-bao she, 1959, p. 209 (quoted in Chen, Chinese Economic Statistics, p. 123).
- (9) Provincial Atlas, p. 83.
- (10) Derived from Peking Radio, 15th July 1976, and FBIS, No. 138, 16th July 1976 (quoted in J.S.Aird, 'Recent provincial population figures', CQ, March 1978, No. 73, p. 11).
- (11) FBIS, 10th August 1979, p. P2 (quoted in A.J. Jowett, 'China: The Provincial Population Distribution', CQ, March 1980, No. 81, pp. 107-8). An almost identical figure was given to Jowett by a delegation from the Cartographic Publishing House of Beijing.

- Notes: (a) Including Hong Kong and Macao.
- (b) According to administrative divisions of 1957.
- (c) Population of Hong Kong in 1957 was 2.5 million and of Macao, 180,000. The figure of 38 million is not specifically given as excluding Hong Kong and Macao, but given that neither is included as a major city of Guangdong in the list given, it seems highly likely that this is so.

Notes to Table 8 continued.

- (d) Of which: 'urban' = 5.510 million and 'rural' = 32.49 million (Source: Liang Ren-cai et al., Economic Geography of South China, pp. 48 and 50). Chinese statistical practice in the 1950's defined 'urban' areas according to both size and occupational composition. The major criterion for an urban area was that it included 2,000 inhabitants or more at least half of whom were engaged in pursuits other than agriculture (Source: State Council, 'Resolution on the criteria for demarcation of urban and rural areas', TJGZ, No. 12, 1955, quoted in Chen, Chinese Economic Statistics, p. 7).
- (e) Although this figure was released in 1974 it has been argued convincingly that it applies to mid-year 1964, using 1974 boundaries (Aird, 'Recent provincial population figures').
- (f) It has been assumed that these data do indeed apply to the current provincial boundary (i.e. excluding the Qin Zhou/He Pu S.D.).

TABLE 9: Number of cattle^(a) in Guangdong
(Unit: millions)

Year	Number	Date of information
1936	3.2 (1)	18th Aug. 1957
1949	2.5 (1) (b)	18th Aug. 1957
	2.5 (2) (c)	1959
1950	3.21 (3) (d)	November 1956
1952	3.31 (4)	23rd Nov. 1952
1953	3.825 (3)	November 1956
1954	4.50 (5) (e)	5th Aug. 1956
1955	4.59 (3)	8th Apr. 1956
	4.59 (5)	5th Aug. 1956
1956	4.60 (1)	18th Aug. 1957
1957	4.340 (2)	1959

- Sources:
- (1) Li Wen-hua, 'From the expansion ...'
 - (2) Liang Ren-cai, et al., Economic Geography of South China, pp.81 and 83.
 - (3) Liang Ren-cai, Economic Geography of Guangdong, p.33.
 - (4) Lin Xiang-dong, 'The circumstances of Guangdong's agricultural and forestry production over the past three years and guideline tasks for the next five years', NFRB, 23rd Nov. 1952.
 - (5) Ji Jin-zhang, 'Report on the final accounts for 1955 and estimates for 1956 for Guangdong province', NFRB, 5th Aug. 1956.

- Notes:
- (a) Including yellow cattle and water buffalo: in 1957, 54 per cent were the former kind, and 46 per cent the latter (Source: Liang Ren-cai et al., Economic Geography of South China, p.83).
 - (b) Derived: the number of cattle in 1956 was 46 per cent above that of 1949.
 - (c) Derived: the number of cattle in 1957 was 73.4 per cent above that of 1949.
 - (d) Derived: the 1953 figure was 19.6 per cent above that for 1950.
 - (e) Derived: the number of cattle in 1955 was 102 per cent of the number in 1954.

TABLE 10: Number of pigs in Guangdong
(Unit: million)

Year	Number	Date of information
1936	4.6 (1)	18th Aug. 1957 (b)
1949	4.1 (2)	5th Oct. 1959
	4.1 (3)	12th Oct. 1959
	4.1 (4)	1959 (c)
	4.1 (1)	18th Aug. 1957 (d)
1950	5.9 (5)	November 1956 (e)
1952	5.50 (6)	23rd Nov. 1952 (f)
1953	7.004 (5)	November 1956
1954	7.822 (7)	10th Sep. 1956
	7.822 (8)	8.2 (a)
	8.6 (9)	
		5th Aug. 1956
1955	6.995 (8)	30th Aug. 1956
	6.99 (9)	7.0 (a)
	6.995 (7)	
		5th Aug. 1956
		10th Sep. 1956
1956	5.800 (7)	10th Sep. 1956
	5.800 (8)	5.9 (a)
	6.060 (1)	
		18th Aug. 1957
1957	8 (10)	3rd Jan. 1958
	9.10 (4)	1959
	9.091 (3)	8.6 (a)
	9.091 (2)	
		12th Oct. 1959
		5th Oct. 1959

- Sources:
- (1) Li Wen-hua, 'From the expansion ...'
 - (2) Guangdong Provincial Statistical Department, 'Communique on the development of the national economy in Guangdong province in 1958 and the first half of 1959', WHB (Hong Kong), 5th Oct. 1959.
 - (3) Chen Yu, 'Report to the second session of the second Guangdong People's Congress', NFRB, 12th Oct. 1959.
 - (4) Liang Ren-cai et al., Economic Geography of South China, p.81.
 - (5) Liang Ren-cai, Economic Geography of Guangdong, p.33.
 - (6) Liu Xiang-dong, 'The circumstances of Guangdong's agricultural ...'

.../Cont'd.

TABLE 10: (Cont'd).

- (7) Editorial, 'Development of sideline production ...'
- (8) Tao Zhu, 'We must certainly carry out well ...'
- (9) Ji Jin-zhang, 'Report on the final accounts for 1955 ...'
- (10) Editorial, 'Struggle to carry out the plan for agricultural construction in Guangdong', NFRB, 3rd Jan. 1958.

- Notes:
- (a) The arithmetic mean for the number of pigs in each of these years: it has been calculated on the assumption that different figures refer to different times of the year. The weighting given to figures appearing more than once in the same year has accordingly been reduced in calculating the mean.
 - (b) Derived: the number in 1956 was 46 per cent higher than in 1936.
 - (c) Derived: the number in 1957 was 121.4 per cent higher than in 1949.
 - (d) Derived: the number in 1956 was 84 per cent higher than in 1949.
 - (e) Derived: the number in 1953 was 19.1 per cent higher than in 1950.
 - (f) Specifically excludes Qin Zhou s.d.

TABLE 11:

(A) Grain output in Guangdong (including Qin Zhou s.d.):^(a)
 final series
 (Unit: million jin)

<u>Year</u>	<u>Grain Output</u> (unhusked) ^(b)
1949	16,000
1952	18,910
1953	20,530
1954	21,960
1955	21,800
1956	24,000
1957	24,400

Sources: See below in (B).

Notes: (a) See Chapter 1 for a discussion of boundary changes.

(b) Including 'fine' and 'coarse' grain, with potatoes converted to their grain equivalent. As can be seen in (B) the estimates of total unhusked grain output in Guangdong vary quite extensively. One major source of variation is the boundary change of 1955. This can be fairly easily accounted for by using data for 1955 and earlier which were issued after 1955. Beyond that data for inclusion in (A) has been selected primarily on the basis of the lateness of the date, on the grounds that adjustments were continually being made retrospectively, in much the same way as the international trade figures in capitalist economies are altered as new information arises. That such adjustments were an attempt to improve the accuracy of the data rather than to falsify them can be seen from the example of 1955, for which the estimated total grain output declined from 21,970 million jin in the 1956 estimate to 21,800 million jin in the 1958 estimate.

TABLE 11:

(B) Grain output in Guangdong
(Unit: million jin)

Year	Grain output (unhusked) (See (A), Note (b))	Date of information
1934	18,890	18th Aug. 1957 (1)(a)
1936	16,533	24th Sept. 1955 (2)
	17,100	9th Oct. 1957 (3)(b)
1938	15,160	28th Nov. 1953 (4)
1949	14,000	9th Feb. 1950 (5)
	15,716	9th Feb. 1954 (6)(c)
	16,000	9th Oct. 1957 (3)(d); 18th Aug. 1957 (1)(e); 12th Oct 1959 (7); 12th Aug. 1957 (8)
1951	15,839	28th Nov. 1953 (4)
1952	17,273	9th Feb. 1954 (6)(f)
	17,500	31st Oct. 1953 (9); 5th Nov. 1953 (10)(g); 16th Aug. 1954 (11); 28th Nov. 1953 (4)
	17,740	7th Feb. 1955 (12)(h)
	17,923	24th Sept. 1955 (2)
	18,864	9th Oct. 1957 (3)(i)
	18,910	17th Nov. 1957 (13)
	19,000	Nov. 1956 (14)
1953	17,923	5th Oct. 1955 (15)(j)
	18,900	5th Nov. 1953 (10)
	19,173	9th Feb. 1954 (6)(k)
	19,440	16th Aug. 1954 (11)
	19,720	7th Feb. 1955 (12)(l)
	20,530	22nd Jan. 1956 (16)
	20,480	9th Oct. 1957 (3)
1954	20,000	Nov. 1956 (17)(m)
	20,970	5th Oct. 1955 (15)
	21,776	9th Oct. 1957 (3)(n)
	21,960	12th Dec. 1955 (18)
	22,000	Nov. 1956 (17)(o); 7th Feb. 1955 (12)

.../Cont'd.

TABLE 11:

(B) (Cont'd)

Year	Grain output (unhusked)	Date of information
1955	21,800	3rd Jan. 1958 (19); 3rd Jan. 1958 (20); 22nd Feb. 1957 (21)
	21,824	9th Oct. 1957 (3)(p)
	21,860	5th Aug. 1956 (22)
	21,900	15th Jan. 1957 (23)(q)
	21,970	7th Apr. 1956 (24)
1956	24,000	9th Oct. 1957 (3); 15th Jan. 1957 (23); 22nd Feb. 1957 (21); 18th Aug. 1957 (1)(r); 12th Aug 1957 (8)
	24,012	17th Nov. 1957 (13)
1957	24,400	5th Oct. 1959 (25); May 1959 (26)
	24,500 (est.)	3rd Jan. 1958 (20)

- Sources: (1) Li Wen-hua, 'From the expansion ...'
- (2) Tao Zhu, 'Resolutely carry out Guangdong's First Five Year Plan, which takes agriculture as the focal point', NFRB, 24th Sept. 1955.
- (3) Lin Cheng-bo, 'How do we look at the question ...'
- (4) Editorial, 'Peasants of Guangdong! For the sake of the motherland, sell your grain to the state', NFRB, 28th Nov. 1953.
- (5) 'A discussion about increasing ...'
- (6) Guangdong People's Government Statistical Department, 'Report on the expansion of the Guangdong province economy in 1953', NFRB, 9th Feb. 1954.
- (7) Chen Yu, 'Report ...'
- (8) Liu Tiao-hua, 'The great achievements of Guangdong in water conservation construction', NFRB, 12th Aug. 1957.
- (9) Tao Zhu, 'The tasks of the Party ...'
- (10) 'Guangdong coarse grain output increases by 1400 million jin', NFRB, 5th Nov. 1953.
- (11) Gu Da-cun, 'Guangdong People's Government - work report on the past four years', NFRB, 16th Aug. 1954.
- (12) Gu Da-cun, '... work report'.

.../Cont'd.

TABLE 11:

(B) (Cont'd)

- (13) NFRB, 17th Nov. 1957 - cited in Kenneth R. Walker, Provincial Grain Output in China 1952-57: A Statistical Compilation, London: Contemporary China Institute, 1977, p.22.
- (14) Liang Ren-cai, Economic Geography of Guangdong, p.25.
- (15) 'Report on the development of the national economy ...'
- (16) NFRB, 22nd Jan. 1956, cited in Walker, Provincial Grain Output, p.22.
- (17) Liang Ren-cai, Economic Geography of Guangdong, p.25.
- (18) State Statistical Bureau, NFRB, 12th Dec. 1955, cited in Walker, Provincial Grain Output, p.22.
- (19) 'Guangdong province plan for agricultural construction ...'
- (20) Editorial, 'Struggle to carry out the plan ...'
- (21) Tao Zhu, 'Develop enthusiasm to a high level ...'
- (22) Ji Jin-zhang, 'Report on the final accounts for 1955 ...'
- (23) Guangdong CCP, 'Directive concerning the development ...'
- (24) State Statistical Bureau, NFRB, 7th Apr. 1956, cited in Walker, Provincial Grain Output, p.22.
- (25) Guangdong Statistical Bureau, 'Communique ...'
- (26) Guangdong Province Agricultural Department, 'Agricultural production in Guangdong', DLZS, No.5, 1959.

- Notes:
- (a) Derived: output in 1956 was 27 per cent higher than in 1934.
 - (b) Derived: output in 1956 was 40 per cent higher than in 1936.
 - (c) Derived: output in 1953 was 22 per cent higher than in 1949.
 - (d) Derived: output in 1956 was 8000 million jin, or 50 per cent higher than in 1949.
 - (e) Derived: 8000 million jin equalled 50 per cent of output in 1949.
 - (f) Derived: output in 1953 was 11 per cent higher than in 1952.
 - (g) Derived: output in 1953 was 8 per cent higher than in 1952.
 - (h) Derived: output in 1954 was 24.02 per cent higher than in 1952.
 - (i) Derived: output in 1952 was 17.9 per cent higher than in 1949.
 - (j) Derived: output in 1954 was 17 per cent higher than in 1953.
 - (k) Derived: output in 1953 was 1900 million jin, or 11 per cent higher than in 1949.

.../Cont'd.

TABLE 11:

(B) (Cont'd)

- (l) Derived: output in 1954 was 11.46 per cent higher than in 1953.
- (m) Specifically excludes Qin Zhou s.d.
- (n) Derived: output in 1954 was 36.1 per cent higher than in 1949.
- (o) Specifically including Qin Zhou s.d.
- (p) Derived: output in 1955 was 36.4 per cent higher than in 1949.
- (q) Derived: output in 1956 was 2100 million jin higher than in 1955.
- (r) Derived: output in 1956 was 8,000 million jin, or 50 per cent higher than in 1949.

TABLE 12:

(A) Output of sugar cane in Guangdong (including Qin Zhou s.d.): final series (a)
(Unit: million jin)

<u>Year</u>	<u>Output</u> ^(b)
1952	6,030
1953	5,190
1954	7,040
1955	7,710
1956	8,140
1957	10,000

Notes: (a) Where more than one acceptable figure exists for a particular year, the arithmetic mean of the figures for that year is used to arrive at a 'final' figure.

(b) All figures are rounded.

(B) Output of sugar cane in Guangdong
(Unit: million jin)

<u>Year</u>	<u>Output</u>	<u>Date of information</u>
'Pre-Liberation peak'	5,236.68 (1)	24th Sep. 1955
1949	1,181-1,241 (2)	16th Aug. 1954 (a)
1952	5,600 (3)	31st Oct. 1953
	5,795 (4)	23rd Nov. 1952
	5,880.42 (1)	24th Sep. 1955
	6,177 (5)	8th Apr. 1956
1953	5,186 (6)	7th Feb. 1955 (b)
1954	7,000 (7)	Nov. 1956
	7,009 (8)	5th Oct. 1955
	7,021 (9)	5th Aug. 1956 (c)
	7,140 (6)	7th Feb. 1955
1955	7,707 (9)	5th Aug. 1956 (d)
	7,719 (10)	15th Jan. 1957 (e)
1956	8,505.97	15th Jan. 1957 (10); 22nd Feb. 1957 (11)
	7,778 (14)	27th July 1957
1957	10,000 (12)	12th Oct. 1959
	10,008 (13)	1959

.../Cont'd.

TABLE 12:

(B) (Cont'd)

- Sources:
- (1) Tao Zhu, 'Resolutely carry out ...'
 - (2) Gu Da-cun, '... work report on the past four years'.
 - (3) Tao Zhu, 'The tasks of the party ...'
 - (4) Liu Xiang-dong, 'The circumstances of Guangdong's agricultural ...'
 - (5) Liang Ren-cai, Economic Geography of Guangdong, p.99.
 - (6) Gu Da-cun, '... work report'.
 - (7) Liang Ren-cai, Economic Geography of Guangdong, p.29.
 - (8) 'Report on the development of the national economy ...'
 - (9) Ji Jin-zhang, 'Report on the final accounts for 1955 ...'
 - (10) Guangdong CCP, 'Directive concerning the development ...'
 - (11) Tao Zhu, 'Develop enthusiasm to a high level ...'
 - (12) Chen Yu, 'Report ...'
 - (13) Liang Ren-cai et al., Economic Geography of South China, p.72.
 - (14) Ji Jin-zhang, 'Report on the final accounts for Guangdong province for 1956, and the draft budget for 1957', NFRB, 27th July 1957.
- Notes:
- (a) Derived: output in 1952 was 374 per cent higher than in 1949.
 - (b) Derived: output in 1954 was 37.69 per cent higher than in 1953.
 - (c) Derived: output in 1955 was 9.77 per cent higher than in 1954.
 - (d) Derived: output in 1956 planned for 9981 million jin, an increase of 29.50 per cent on 1955.
 - (e) Derived: output in 1956 was 10.2 per cent higher than in 1955.

TABLE 13:

(A) Output of peanuts in Guangdong (including Qin Zhou s.d.): Final series (a)
(Unit: million jin).

Year	Output ^(b)
1952	320
1953	310
1954	370
1955	350
1956	410
1957	400

Notes: (a) Where more than one acceptable figure exists for a particular year, the arithmetic mean of the figures available is used.

(b) All figures are rounded.

(B) Output of peanuts in Guangdong
(Unit: million jin).

Year	Output	Date of information
1936	253.7	24th Sep. 1955 (1)
1952	317	24th Sep. 1955 (1)
	323	8th Apr. 1956 (2)
1953	312.7	7th Feb. 1955 (3) (a)
1954	358	5th Aug. 1956 (4) (b)
	381	5th Oct. 1955 (5)
	384.8	7th Feb. 1955 (3)
1955	350	2nd Jan. 1958 (6)
	351.0	5th Aug. 1956 (4) (c)
	351.2	15th Jan. 1957 (7) (d)
	400	27th July 1957 (11)
1956	425.3	15th Jan. 1957 (7); 22nd Feb. 1957 (8)
1957	396	12th Oct. 1959 (9); 5th Oct. 1959 (10)

.../Cont'd

TABLE 13

(B) (Cont'd)

- Sources: (1) Tao Zhu, 'Resolutely carry out ...'
- (2) Liang Ren-cai, Economic Geography of Guangdong, p.101.
- (3) Gu Da-cun, '... work report'.
- (4) Ji Jin-zhang, 'Report on the final accounts for 1955 ...'
- (5) 'Report on the development of the national economy ...'
- (6) 'Guangdong province plan for agricultural construction ...'
- (7) Guangdong CCP, 'Directive concerning the development ...'
- (8) Tao Zhu, 'Develop enthusiasm to a high level ...'
- (9) Chen Yu, 'Report ...'

(10) Guangdong Statistical Department, 'Communique ...'

(11) Ji Jin-zhang, 'Report on the final accounts for 1956...'

- Notes: (a) Derived: output in 1954 was 23.07 per cent higher than in 1953.
- (b) Derived: output in 1955 was 98.0 per cent of 1954.
- (c) Derived: estimated output for 1956 was 560 million jin, an increase of 59.55 per cent on 1955.
- (d) Derived: output in 1956 was 21.1 per cent above 1955.

TABLE 14:

(A) Output of silk cocoons in Guangdong (including Qin Zhou s.d.): Final series (a)
(Unit: million jin)

<u>Year</u>	<u>Output</u>
1953	15.4(b)
1954	16.5
1955	17.0
1956	15.4
1957	18

Notes: (a) Where more than one acceptable figure exists for a particular year, the arithmetic mean of the available figures has been used.

(b) Excluding Qin Zhou s.d.

(B) Output of silk cocoons in Guangdong
(Unit: million jin)

<u>Year</u>	<u>Output</u>	<u>Date of information</u>
1922	70	1959 (1)
1935	77	18th Aug. 1957 (2)
1949	10	18th Aug. 1957 (2)
1953	15.4	16th Aug. 1954 (3) (a)
1954	16.2	7th Feb. 1955 (4)
	16.7	5th Aug. 1956 (5) (b)
1955	16.9	15th Jan. 1957 (6) (c)
	17.0	5th Aug. 1956 (5) (d)
1956	14	18th Aug. 1957 (2)
	16.1	15th Jan. 1957 (6)
	16	16th Nov. 1957 (7)
1957	18	5th Oct. 1959 (8)

.../Cont'd

TABLE 14:

(B) (Cont'd)

- Sources:
- (1) Liang Ren-cai, et al., Economic Geography of South China, p.75.
 - (2) Li Wen-hua, 'From the expansion ...'
 - (3) Gu Da-cun, '... work report on the past four years ...'
 - (4) Gu Da-cun, '... work report'.
 - (5) Ji Jin-zhang, 'Report on the final accounts for 1955 ...'
 - (6) Guangdong CCP, 'Directive concerning the development ...'
 - (7) NFRB, 16th Nov. 1957, quoted in Chen, Chinese Economic Statistics, p.359.
 - (8) Guangdong Statistical Department, 'Communique ...'

- Notes:
- (a) Derived: output in 1953 was 153.5 per cent of 1949.
 - (b) Derived: output in 1955 was 102.27 per cent of 1954.
 - (c) Derived: output in 1956 was 4.9 per cent below that of 1955.
 - (d) Derived: output for 1956 was estimated as 20.67 million jin, an increase of 21.37 per cent on 1955.

TABLE 15: Output of oranges and tangerines in Guangdong
(Unit: million jin)

<u>Year</u>	<u>Output</u>	<u>Date of information</u>
1936	330	1959 (1)
1949	44.9	1959 (1)(a)
1952	79.8	8th Apr. 1956 (2)
1953	110	16th Aug. 1957 (3)
1954	142	7th-Feb. 1955 (4)
1955	>140.78	15th Jan. 1957 (5)
1956	140.78	15th Jan. 1957 (5)

- Sources:
- (1) Liang Ren-cai et al., Economic Geography of South China, p.79.
 - (2) Liang Ren-cai, Economic Geography of Guangdong, p.100.
 - (3) Gu Da-cun, '... work report on the past four years'.
 - (4) Gu Da-cun, '... work report'.
 - (5) Guangdong CCP, 'Directive concerning the development ...'

Notes: (a) Derived: output in 1949 was 13.6 per cent of the 1936 level.

TABLE 16: Output of ramie fibre in Guangdong
(Unit: million jin)

<u>Year</u>	<u>Output</u>	<u>Date of information</u>
1952	0.700	8th Apr. 1956 (1)
1955	0.780	3rd Jan. 1958 (2)(a)
	0.781	15th Jan. 1957 (3)
1956	0.920	15th Jan. 1957 (3)

- Sources:
- (1) Liang Ren-cai, Economic Geography of Guangdong, p.100.
 - (2) 'Guangdong province plan for agricultural construction ...'
 - (3) Guangdong CCP, 'Directive concerning the development ...'

Notes: (a) Sown area of ramie in 1955 was 15,000 mou and output per mou was 52 jin.

TABLE 17:

(A) Output of jute in Guangdong
(including Qin Zhou s.d.): final series(a)
(Unit: million jin)

<u>Year</u>	<u>Output</u>
1952	32.6
1953	26.9
1954	41.7
1955	72.7
1956	96.4
1957	86

Notes: (a) Where more than one acceptable figure exists for a particular year, the arithmetic mean of available data is used.

(B) Output of jute in Guangdong
(Unit: million jin)

<u>Year</u>	<u>Output</u>	<u>Date of information</u>
1933	15.93	24th Sep. 1955 (1)
1936	15.7	18th Aug. 1957 (2)(a)
1949	10.5	18th Aug. 1957 (2)(b)
1952	25.95	23rd Nov. 1952 (3)
	30.16	24th Sep. 1955 (1)
	35	8th Apr. 1956 (4)
1953	26.9	7th Feb. 1955 (5)(c)
1954	37.8	7th Feb. 1955 (5)
	39	5th Oct. 1955 (6)
	48.3	5th Aug. 1956 (7)(d)
1955	70.8	3rd Jan. 1958 (8)(e)
	73.0	15th Jan. 1957 (9)
	74.3	5th Aug. 1956 (7)(f)
1956	94.3	18th Aug. 1957 (2)
	98.54	15th Jan. 1957 (9); 22nd Feb. 1957 (10)
1957	86	12th Oct. 1959 (11); 5th Oct. 1959 (12)

.../Cont'd

TABLE 17: (Cont'd)

- Sources:
- (1) Tao Zhu, 'Resolutely carry out ...'
 - (2) Li Wen-hua, 'From the expansion ...'
 - (3) Liu Xiang-dong, 'The circumstances of Guangdong's agricultural ...'
 - (4) Liang Ren-cai, Economic Geography of Guangdong, p.101.
 - (5) Gu Da-cun, '... work report'.
 - (6) 'Report on the development of the national economy ...'
 - (7) Ji Jin-zhang, 'Report on the final accounts for 1955 ...'
 - (8) 'Guangdong province plan for agricultural construction ...'
 - (9) Guangdong CCP, 'Directive concerning the development ...'
 - (10) Tao Zhu, 'Develop enthusiasm to a high level ...'
 - (11) Chen Yu, 'Report ...'
 - (12) Guangdong Statistical Department, 'Communique ...'

- Notes:
- (a) Derived: output in 1956 was almost 500 per cent above the 1956 level.
 - (b) Derived: output in 1956 was 800 per cent above the 1956 level.
 - (c) Derived: output in 1954 was 10.9 million jin above the 1953 level.
 - (d) Derived: output in 1955 was 53.71 per cent above the 1954 level.
 - (e) Derived: sown area in 1955 was 0.250 mou and output per mou was 283 jin.
 - (f) Derived: estimated output for 1956 was 112 million jin, or 50.76 per cent higher than in 1955.

TABLE 18: Output of tea in Guangdong
(Unit: million jin)

Year	Output	Date of information
1936	8.20	18th Aug. 1957 (1)
1949	2.05	18th Aug. 1957 (1)
1952	2.70	23rd Nov. 1952 (2)
1953	3.70	16th Aug. 1954 (3) (a)
1954	4.0	7th Feb. 1955 (4) (b)
1955	4.9	27th Jul. 1957 (5)
	4.94	5th Aug. 1956 (6) (d)
1956	5.07	18th Aug. 1957 (1)
	6.0	27th Jul. 1957 (5)

- Sources:
- (1) Li Wen-hua, 'From the expansion ...'
 - (2) Liu Xiang-dong, 'The circumstances of Guangdong's agricultural ...'
 - (3) Gu Da-cun, '... work report on the past four years'.
 - (4) Gu Da-cun, '... work report'.
 - (5) Ji Jin-zhang, 'Report on the final accounts for 1956...'
 - (6) Ji Jin-zhang, 'Report on the final accounts for 1955 ...'
 - (7) 'Guangdong province plan for agricultural construction ...'

- Notes:
- (a) Derived: output in 1953 was 80.5 per cent above the 1949 level.
 - (b) Derived: output in 1954 was 7.5 per cent above the 1953 level.
 - (c) Derived: output in 1956 was 45.3 per cent above 1955.
 - (d) Derived: output in 1956 was estimated to be 6.27 million jin, an increase of 27.03 per cent on the 1955 level.

TABLE 19:

(A) Output of yellow tobacco in Guangdong
(including Qin Zhou s.d.): final series(a)
(Unit: million jin)

Year	Output
1952	7.2
1954	6.4
1955	11.0
1956	14.8

Notes: (a) Where more than one acceptable figure appears for a particular year, the arithmetic mean of available figures is used.

(B) Output of yellow tobacco in Guangdong
(Unit: million jin)

Year	Output	Date of information
1935	5.38	24th Sep. 1955 (1)
'Pre-Liberation'	4.48	18th Aug. 1957 (2)(a)
1952	7.2	8th Apr. 1956(3); 24th Sep. 1955(1)
1954	6.4	5th Oct. 1955 (4)
1955	10.16	3rd Jan. 1958 (5)(b)
	11.3	5th Aug. 1956 (6)(c)
	11.65	15th Jan. 1957(7)(d)
1956	14.41	18th Aug. 1957(2)
	15.26	15th Jan. 1957(7)

Sources: (1) Tao Zhu, 'Resolutely carry out ...'
(2) Li Wen-hua, 'From the expansion ...'
(3) Liang Ren-cai, Economic Geography of Guangdong, p.101.
(4) 'Report on the development of the national economy ...'
(5) 'Guangdong promise plan for agricultural construction ...'
(6) Ji Jin-zhang, 'Report on the final accounts for 1955 ...'
(7) Guangdong CCP, 'Directive concerning the development ...'

Notes: (a) Derived: output in 1956 was 220 per cent higher than the pre-Liberation level.
(b) Derived: sown area was 80,000 mou and output per mou was 127 jin.
(c) Derived: output in 1955 was 76.16 per cent higher than in 1954; output estimated for 1956 was 16.6 million jin, 47.04 per cent higher than in 1955.
(d) Derived: output in 1956 was 31 per cent higher than in 1955.

TABLE 20: Output of fish (fresh water plus salt) in Guangdong
(Unit: million jin)

Year	Total output	of which:		Date of information
		(i) Fresh water	(ii) Salt water	
'Pre-Liberation peak'	732	-	-	23rd Nov. 1952 (1)(a)
1952	600	-	-	23rd Nov. 1952 (1)
1953	676	-	-	16th Aug. 1954 (2)
	683.7(b)	247(c)	436(d)	5th Oct. 1955 (3)
1954	786.3	245(c)	541	5th Oct. 1955 (3)
1955	1040	(310) (e)	(730) (e)	3rd Jan. 1958(4); 30th Aug. 1956 (5)
	1000 (approx)	-	-	Nov. 1956 (6)
1956	1056	(300) (e)	(756) (e)	22nd Feb. 1957 (7)
1957	1354	364	990	1959 (8)

- Sources: (1) Liu Xiang-dong, 'The circumstances of Guangdong's agricultural...'
 (2) Gu Da-cun, '... work report on the past four years'.
 (3) 'Report on the development of the national economy ...'
 (4) Editorial, 'Struggle to carry out the plan ...'
 (5) Tao Zhu, 'We must certainly carry out well ...'
 (6) Liang Ren-cai, Economic Geography of Guangdong, p.39.
 (7) Tao Zhu, 'Develop enthusiasm to a high level ...'
 (8) Liang Ren-cai, et al., Economic Geography of South China, pp.86-7.

- Notes: (a) Derived: output in 1952 was 82 per cent of the peak pre-Liberation output.
 (b) Derived: output in 1954 was 15 per cent higher than in 1953.
 (c) Derived from salt water figures.
 (d) Derived: output in 1954 was 24 per cent higher than in 1953.
 (e) Interpolated on the assumption of a steady fall in the proportion of fresh water fish in total fish between 1954 (31.2 per cent) and 1957 (26.9 per cent).

TABLE 21: Gross value of agricultural^(a) production in Guangdong (b)(c) (Unit: million yuan)

Year	Value of agricultural production	of which: sideline production
1949	1650 (1) 1700 (2)(3)(4)	n.a.
1952	2600 (2)(3)(4)	n.a.
1953	2938 (7) ^(c)	n.a.
1954	3048 (7) ^(c)	n.a.
1955	3008 ^(c)	410 (5)
1956	3300 (1)(2)(3)(4)(7) ^(c)	490 (5)
1957	3414 (8) 3726 (6)	523 (6)

1957

- Source:
- (1) Li Wen-hua, 'From the expansion ...'
 - (2) Tao Zhu, 'Work report for Guangdong People's Council, NFRB, 26th Jul. 1957.
 - (3) Lin Cheng-bo, 'How do we look at the question ...'
 - (4) Guangdong CCP, 'Correctly understand the relationship ...'
 - (5) Tao Zhu, 'Develop enthusiasm ...'
 - (6) Liang Ren-cai, et al., Economic Geography of South China, p.63
 - (7) Ji Jin-Zhang, 'Report on the final accounts for Guangdong province for 1956, and the draft budget for 1957', NFRB, 27th Jul. 1957.
 - (8) 'Report on the development of the national economy in Guangdong', NFRB, 3rd Oct. 1959.

- Notes:
- (a) 'Agricultural' consists of three main activities, crop-raising animal-raising and farm sideline production (see (i) Wang Keng-chin, 'My views on methods of calculating the gross agricultural output value', TJGZ, No.4, 1957, quoted in Chen, Chinese Economic Statistics, p.12; (ii) Liang Ren-cai et al., Economic Geography of South China, p.63; (iii) Liao Xian-hao, 'Tabular forms for agricultural production planning', JHJJ, No.4, 1957, quoted in Chen, Chinese Economic Statistics, p.63; (iv) Editorial Committee for Statistical Work, Handbook for Agricultural Statistical Work, Beijing: Statistical

TABLE 21:

Notes:

(Continued)

Publishing House, 1956, quoted in Chen, Chinese Economic Statistics, p.63). The computation of gross agricultural output "was usually made by provincial and xian governments for their own planning purposes. The gross value of the output of crops and animal products was made on the basis of regular statistical reports, and that of agricultural subsidiary work was estimated primarily from survey data ... The reliability of the estimates for subsidiary work was admitted to be very low" (Source: Chen, Chinese Economic Statistics, p.64).

- (b) "The gross agricultural output is valued at 'the average of prices at the places of production'. The value of the products which are sold to the state is estimated on the basis of government purchase prices. Valuation of the products consumed on the farm or not sold at the village level is imputed according to 'either the average market prices less transport costs or production costs or the prices of similar products'" (Source: Huang Meng-fan, 'Agricultural production statistics', TJGZ, No.12, 1956, quoted in Chen, Chinese Economic Statistics, p.12).

- (c) Derived.

TABLE 22: The gross value of agricultural output at the sub-provincial level

Area	Unit	1952	1954	1956	1957
Hainan island(1)(a)	m. yuan	153.31	-	211.91	-
Gao Yao s.d. (2)(a)	m. yuan	218.76	-	244.36	-
Xin Hui xian (3)(a)	m. yuan	52.8	-	95	-
Mei xian (4)	index	100	-	113.8	-
Lian Shan xian(5)(b)	m. yuan	-	-	4.48	5.28
Huai Ji xian (6)(b)	m. yuan	28.75	36.37	38.42	-

- Sources: (1) Mo Xiong, 'A factual record of Hainan', JJDB, No.534, 1957.
 (2) 'From poor to well-off: a mountainous area has changed its appearance', NFRB, 12th Aug. 1957.
 (3) 'If the rightist party do not surrender, then the Xin Hui (xian) people will definitely not end the matter', NFRB, 14th Aug. 1957.
 (4) 'The living standards of the people of Mei xian are uninterruptedly rising', NFRB, 8th Aug. 1957.
 (5) 'The average value of output per capita is 113 yuan', NFRB, 29th Nov. 1957.
 (6) 'The mountain region people's livelihood is good, there is no market for the rumours of the rightist elements', NFRB, 14th Aug. 1957.

- Notes: (a) Agriculture plus sideline.
 (b) Agriculture, sideline, animal husbandry and forestry.

TABLE 23: Agricultural tax and agricultural income in Guangdong

Item	1951	1952	1953	1954	1955	1956	1957
Value of agricultural tax (million yuan)	(a) -	-	205.44(1)(3)	240.37(1)(3)	210.8 (2) 210.68(1)(3)	200.62(1)(5)(3)	-
Value of agricultural tax as a proportion of agricultural income (%) (Hong-ye shou-ru)	(a) -	-	10.38(4)(1)(3) (8)	11.20(4)(1)(3) (8)	10.26(4)(1) (3)(8)	9.02(4)(1)(3) (8)	8.46(8)
Value of agricultural tax as a proportion of gross value of agricultural output (%)	15.44(6) (7)	12.3(6)	11.43(6)	12.43(6)	10.8 (6) 10.89(7)	7.96(6)	-
Value of agricultural tax as a proportion of gross value of agricultural output (%)	-	-	6.99(3)	8.56(3)	7.53(3)	6.47(3)	-

Sources:

- (1) Tao Zhu, 'Work report...'
- (2) Ji Jin-zhang, 'Report on the final accounts for 1955 ...'
- (3) Ji Jin-zhang, 'Report on the final accounts for 1956, and draft of the 1957 budget for Guangdong', NFRB, 27th Jul. 1957.
- (4) Guangdong CCP, 'Correctly understand the relationship ...'
- (5) Yang Meng, 'Is the rural population's grain consumption ...'
- (6) 'Presenting the facts ...'
- (7) 'This year's gross industrial and agricultural output value in Guangdong has risen by 22.33 per cent', NFRB, 26th Jul. 1956.
- (8) Wei Jin-fei, 'Report on the final accounts for Guangdong province for 1957, and draft budget for 1958', NFRB, 27th Sept. 1958.

Notes: (a) Including xiang-level tax levies.

TABLE 24: Value of state assistance to the peasantry in Guangdong (Unit: million yuan)

Item	1949	1950	1951	1952	1953	1954	1955	1956	1957
1. Agriculture, forestry water conservancy, meterology. of which: water conservancy.						32.210(1)	54.627(2)	60.984(3)	(4)
						200(5)	(6)	(a)	
						118.19(7)			31.085(2)
									>30(7)
2. Disaster-relief funds			28.5(8)	(b)					
					54(5)	(6)			
3. Agricultural loans		2.35(9)	7.54(9)	32.72(9)	77.72(9)			170(5)	(6) (c)
					(Jan-Nov incl.)			- 186(4)	(c)
			126(8)	(b)					
					480(10)				
4. Advance purchase funds									
(5) (d)									

"several tens of millions of yuan each year"

Sources:

- (1) Zhang Yung-li, 'Report on the 1954 final accounts ...'
- (2) Ji Jin-zhang, 'Report on the 1955 final accounts ...'
- (3) Ji Jin-zhang, 'Report on the 1956 final accounts ...'
- (4) Yang Meng, 'Is the rural population's grain consumption ...'
- (5) Tao Zhu, 'Work report ...'
- (6) Guangdong CCP, 'Correctly understand the relationship ...'
- (7) Su Fang, 'The great support which the state, led by the industrial workers, has given to the peasantry', NFRB, 3rd Nov. 1957.
- (8) Gu Da-cun, '... work report on the past four years'.
- (9) 'Guangdong peasants over the past four years have obtained 120 million (b) yuan in loans', NFRB, 15th Jan.
- (10) Li Wen-hua, 'From the expansion ...'

Notes:

- (a) Excluding meterology
- (b) Equivalent in 'new yuan'.
- (c) Including loans to fishermen (14 million yuan)
- (d) "Effectively short-period interest-free loans".

TABLE 25: Total purchasing power in Guangdong at the sub-provincial level

Area	Unit	1952	1953	1954	1955	1956	1957
Hainan island (1) (a)	m. yuan	101.87	-	-	-	173.53	-
He Pu s.d. (2) (b)	m. yuan	-	-	-	89.39	104.59	-
Fo Shan s.d. (3) (c)	m. yuan	-	-	-	570.57	641.73	-
Gao Yao s.d. (4) (b) (c)	m. yuan	-	-	-	37.852	44.418	(25.68) (d)
Xin Xing xian (5) (c)	m. yuan	8.508	-	-	-	12.649	-
Qu Jiang xian (6) (a)	index	-	-	100	-	131	-
Xin Feng xian (7)	m. yuan	4.400	4.60	4.85	5.24	6.25	-
Lian Nan (Yao minority people's) autonomous xian (8)	m. yuan	-	-	-	3.143	4.390	-
Qing Yuan xian (9)	index	-	-	100	113.3	143.6	-
Bao Ting xian (10) (b)	m. yuan	-	-	-	3.760	4.683	-

Sources:

- (1) Ying Xiong, 'Yun. Ying-ling must bow his head before the iron facts', NFRB, 12th Aug. 1957.
- (2) 'The people of He Pu (s.d.) ardently love their new livelihoods', NFRB, 10th Aug. 1957.
- (3) Zheng Shao-tang, 'The people of the Pearl River Delta have moved from being poor and destitute to being well-off', NFRB, 13th Aug. 1957.
- (4) 'We definitely do not allow the bankrupt slanders of the rightist party elements', NFRB, 14th Aug. 1957.
- (5) Mou Ke, 'The output and living standards of the peasants in Xin Xing xian', NFRB, 16th Aug. 1957.
- (6) 'We must defend the socialist system', NFRB, 9th Aug. 1957.
- (7) 'Do not allow the rightist party elements to recklessly slander the mountain region peoples', NFRB, 13th Aug. 1957.
- (8) 'What does the transformation of the population of Lian Nan (Yao minority people's) autonomous xian prove?', NFRB, 8th Aug. 1957.
- (9) 'The voters of Qing Yuan (xian) give Lin Kong-hu a severe reprimand', NFRB, 15th Aug. 1957.
- (10) 'Bao Ting (xian) peasant living standards steadily improve', NFRB, 17th Aug. 1957.

Notes:

- (a) Villages only.
- (b) Gross value of retail sales.
- (c) Peasants only.
- (d) First six months only.

TABLE 26: Peasant income in different Chinese provinces (Unit: yuan per capita)

Province	1936	1941	1949	1950	1951	1952	1953	1954	1955	1956
Anhui (1)(a)	-	-	46.8	-	-	60.8	-	-	-	71.9
Fujian (2)	-	-	-	60.8(b)	-	-	-	-	-	88.8(b) 84.72(c)
Guangdong(3)(d)	85.48	-	73.07	-	-	-	-	-	-	105.43
(e)	71.64	-	67	-	-	83	-	87.84	85.86	89.8
Hubei (4)(f)	62.04	-	49.33	-	-	-	-	-	-	84.84
Jiangsu (5)	(g)	-	-	-	-	87.6	91.3	90.6	113.8	86.4
(h)	-	-	-	-	-	80.6	82.9	82.5	95.9	90.6
Jilin (6)	(i)	51.0	-	-	-	82.0	-	-	77.0	76.0
(j)	-	53.44	-	-	-	74.91	-	-	76.30	75.08
Shanxi (7)	(k)	44	-	-	-	-	-	-	-	65

Sources: (1) 'The question of the standard of living ...'

(2) 'The material livelihood of our urban and rural population has risen magnificently', FJRB, 5th Aug. 1957

(3) 'The peasants' living standards have surpassed their highest level in recent years', GZRB, 25th Jul. 1957.

(4) 'On the basis of the expansion of output our province's people's livelihoods have improved magnificently', HBRB, 11th Aug. 1957.

(5) Jiangsu Labour Department, 'Preliminary investigation ...'

(6) Jilin Provincial, 'A comparison of the living standards ...'

(7) Wei Heng, 'Political work report to the sixth session of the first Shanxi Provincial People's Congress, SaXRB, 26th Aug. 1957.

TABLE 26: (Cont'd)

Notes:	(a)	Net income (jing-shou-ru) of agricultural population: gross income minus seeds, fertiliser, purchase of new implements, and payment of agricultural tax. Per capita purchasing power of peasants: 1952 = 23 yuan, 1956 = 41 yuan.
	(b)	Net income (jing-shou-ru), including 'non-production income' (fei-sheng-chan shou-ru).
	(c)	Value of consumption (xiao-fei zhi).
	(d)	'Real income' (shi-ji shou-ru).
	(e)	Livelihood consumption (sheng-huo xiao-fei) } from a survey of 509 peasant households.
	(f)	Value of consumption - material, cultural, and livelihood (wu-zhi wen-hua sheng-huo xiao-fei) - including private sideline production. Per capita peasant purchasing power: 1950 - 22.22 yuan, 1956 = 41.36 yuan.
	(g)	Income (shou-ru). No clear indication is given, but data for urban workers in same table are at current prices.
	(h)	Livelihood consumption (sheng-huo xiao-fei).
	(i)	Income (shou-ru)
	(j)	Livelihood expenditure (sheng-huo xiao-fei) } constant (1952) prices.
	(k)	Income (shou-ru).

TABLE 27: Value of peasant consumption in China
(Unit: yuan per capita, constant prices)

Year	(1)(a)	(2)(b)	(3)(c)	(4)(d)
1936	61.2	-	61.2	61.2
1952	72.8	72.1	-	72
1953	-	73.9	-	-
1954	-	75.9	-	-
1955	-	81.3	78.9	78.9
1956	84.2	82.3	80.8	81

- Sources: (1) Zhou Jing-yu, 'Who says the people's living standards have fallen?', RMRB, 3rd Aug. 1957.
 (2) Xu Gang, 'Haven't the living standards of peasants, and staff and workers over the whole of China improved since liberation?', DGB (Beijing), 9-10th Aug. 1957.
 (3) Li Yi-wei and Na Yi-shi, 'The difference between the livelihood ...'
 (4) 'A discussion of some ways of looking at the living standards of workers and peasants', XHNB, 23rd Apr. 1957.

- Notes: (a) Actual consumption (shi-ji xiao-fei).
 (b) Material consumption (wu-zhi xiao-fei)
 (c) Average consumption (ping-jun xiao-fei)
 (d) Constant 1952 prices.

TABLE 28: Total supply of cotton cloth in Guangdong for consumption
(Unit: million pi)

Year	All Guangdong	of which: Villages
1951	2.88 (1)	-
1952	3.24 (1)	-
1953	6.0 (1)	-
1955	-	4.571 (2)(3)
1956	-	6.211 (2)(3)

- Sources: (1) 'Guangdong people's social purchasing power ...'
 (2) Editorial, 'Struggle hard for a bumper harvest', NFRB, 16th Feb. 1957.
 (3) Chen Liu, 'The way in which the question of the supply of goods to the towns and countryside should be considered', NFRB, 12th Oct. 1957.

TABLE 29: Supply of sugar for retail sale in Guangdong
(Unit: million jin)

<u>Year</u>	<u>All Guangdong</u>	<u>of which: Rural areas</u>
1952	151 (1)	-
1953	162(1) - 189.8(2)(a)	-
1954	212 (1)	-
1955	-	196.0 (3)(4)(5)
1956	-	234.0 (3)(4)(5)
1957	314.3(2)(a)	-

Sources: (1) 'Guangdong people's social purchasing power ...'
 (2) Fan Wang-xian, 'Steadily transform the work ...'
 (3) Lin Cheng-bo, 'How do we look at the question ...'
 (4) Chen Liu, 'The way in which ...'
 (5) Editorial, 'Struggle hard ...'

Note: (a) On the assumption that one tun = 2000 jin.
 Supply in 1953 = 94,888 tun; 1957 = 157,126 tun.

TABLE 30: Total supply of edible oil for consumption in
Guangdong
(Unit: million jin)

<u>Year</u>	<u>All Guangdong</u>	<u>of which: Rural areas</u>
1951	83.8 (1)(a)	-
1952	88.4 (1)(a)	-
1953	102.2 (1)(a)	-
1954	104 (1)(a)	-
1955	-	90 (2)
1956	-	107 (2)

Sources: (1) 'Guangdong people's social purchasing power ...'
 (2) Chen Liu, 'The way in which ...'

Notes: (a) On the assumption that one tun = 2000 jin.
 Supply in 1951 = 41.9 tun; 1952 = 44.2 tun;
 1953 = 51.1 tun; 1954 = 52 tun (thousands of tun).

TABLE 31: Total consumption of pork in Guangdong

<u>Year</u>	<u>Pigs (million head)</u>	<u>Pork (million jin)</u>
1951	3.55 (1)	-
1952	4.31 (1)	510.4 (2)
1953	4.54 (1)	-
1954	5.02 (1)	-
1957	-	503.2 (2)

Sources: (1) 'Guangdong people's social purchasing power ...'
 (2) Fan Wang-xian, 'Steadily transform the work ...'

TABLE 32: Total supply of miscellaneous items of consumption in Guangdong

<u>Item</u>	<u>Year</u>	<u>Unit</u>	<u>All Guangdong</u>	<u>Rural areas</u>
Aquatic products (1)	1953	million jin	561.2	-
	1957	million jin	1067.9	-
Cigarettes (1)	1953	boxes (xiang)	175,332	-
	1957	boxes (xiang)	232,614	-
Liquor (1)	1953	tun	58,156	-
	1957	tun	66,500	-
Underwear (bei-xin) (2)	1955	million	-	0.9
	1956	million	-	1.28
Towels (2)	1955	million	-	2.0
	1956	million	-	2.6

Sources: (1) Fan Wang-xian, 'Steadily transform the work ...'
 (2) Tao Zhu, 'Develop enthusiasm to a high level ...'

TABLE 33: Retail sales of consumer goods in Guangdong
at the sub-provincial level

Item/Area	Unit	1952	1953	1954	1955	1956
<u>Cotton cloth</u>						
Hainan island (1)	index(a)	100	-	-	-	160.3
Chao An xian (2)	m. chi	-	-	29.55	-	46.41
Qing Yuan xian (3)	pi	-	-	-	50,000	90,000
He Pu s.d. (4)	m. pi	-	-	-	0.258	0.369
Shao Guan s.d. (5)	m. metres	-	1.253	8.439	10.112	12.692
<u>Cotton and woollen goods</u>						
Gao Yao xian (6)	dozen	-	-	-	3,250	3,007
<u>Edible oil</u>						
Hainan island (1)	index(a)	100	-	-	-	183.3
He Pu s.d. (4)	tuns	-	-	-	10,536	12,622
<u>Pork</u>						
He Pu s.d. (4)	tuns	-	-	-	4,986	6,930
Hainan island (1)	index(a)	100	-	-	-	115.75
<u>Sugar</u>						
Hainan island (1)	index(a)	100	-	-	-	195.1
He Pu s.d. (4)	tuns	-	-	-	3,147	3,744
<u>Aquatic products</u>						
He Pu s.d. (4)	dan	-	-	-	125,536	187,299
<u>Lumber</u>						
He Pu s.d. (4)	cubic metres	-	-	-	21,244	45,150
<u>Towels</u>						
Shao Guan s.d. (5)	dozen	-	-	-	64,508	69,230
<u>Rubber-soled shoes</u>						
He Pu s.d. (4)	pairs	-	-	-	85,901	145,688
Shao Guan s.d. (5)	pairs	-	-	-	205,287	214,435
Huai Ji xian (7)	dozen	564	-	2,428	-	3,556
Gao Yao xian (6)	pairs	-	-	-	38,023	62,142
<u>Thermos flasks</u>						
Shao Guan s.d. (5)	dozen	-	-	-	1,670	2,321
Gao Yao xian (6)	dozen	-	-	-	599	986
<u>Sweatshirts</u>						
Huai Ji xian (7)	dozen	563	-	2,794	-	5,678
<u>Socks</u>						
Huai Ji xian (7)	dozen	1,074	-	2,512	-	3,922

.../Cont'd

TABLE 33: (Cont'd)

- Sources:
- (1) 'The people of Hainan don't permit the slanderous rumours of rightist element Yun Ying-lin', NFRB, 7th Aug. 1957.
 - (2) 'Water-disaster transformed into irrigation; grain-short xian transformed into 1000-jin xian', NFRB, 15th Aug. 1957.
 - (3) 'The voters of Qing Yuan ...'
 - (4) 'The people of He Pu s.d. ...'
 - (5) Lin Ming-yuan, 'The superiority of the co-operative system cannot any longer be denied', NFRB, 5th Aug. 1957.
 - (6) 'We definitely do not allow ...'
 - (7) 'The mountainous region ...'

Note: (a) Index of physical quantity of consumption.

TABLE 34: Grain production and consumption in Guangdong province. (including Qin Zhou S.D.)

Year	(i) Grain output (unhusked) (m. jin)	(ii) State requisitions Grain tax (zheng) (m. jin)	(iii) State purchase (gou) (m. jin)	(iv) Sales to private market (m. jin)	(v) Re-sales to rural areas (m. jin)	(vi) Seed and fodder (m. jin) (5)
1949	16,000	-	-	-	-	-
1952	18,910	2018 (2)	1792 (2)	1698	-	-
1953	20,530	3011 (2)	2642 (2)	1454	-	1630
1953/4	-	-	-	-	3876 (5)	-
1954	21,960	3114 (2)	5662 (2)	-	(4076) (6)	1704
1954/5	-	-	-	-	4275 (5)	-
1955	21,800	2728 (2)	4037 (2)	-	(3880) (6)	1737
1955/6	-	-	-	-	3485 (5)	-
1956	24,000	2496 (2)	3744 (2)	-	(3393) (6)	1723
1956/7	-	-	6100 (3)	-	3300 (3)	-
1957	24,400	-	6800 (4)	-	(3499) (6)	1789
1957/8	-	-	-	-	3698 (5)	-

TABLE 34: (Continued)

Year	Total (7) (m.)	Peasant (8) (nong-min) (m.)	Non- peasant (9) (m.)	Population	Urban (10) (Cheng-zhen zhu-min) (m.)	Rural (10) (xiang-cun zhu-min) (m.)	Peasants in grain- deficit areas (3) (m.)
(vii)	(viii)	(ix)	(x)	(xi)	(xii)		
1949	-	-	-	-	-	-	-
1952	(34.4)	27.13	(6.3)	(4.6)	(29.8)	(5.9)	
1953	34.8	28.8	(6.4)	(4.7)	(30.1)	(6.3)	
1953/4	-	-	-	-	-	-	-
1954	(35.6)	28.4	(6.6)	(4.9)	(30.7)	(6.2)	
1954/5	-	-	-	-	-	-	-
1955	(36.4)	30.0	(6.7)	(5.1)	(31.3)	(6.6)	
1955/6	-	-	-	-	-	-	-
1956	(37.2)	30.6	(6.8)	(5.4)	(31.8)	(6.7)	
1956/7	-	-	-	-	-	-	-
1957	38.0	(31.6)	(7.0)	5.5	32.5	7	
1957/8	-	-	-	-	-	-	-

TABLE 34: (Continued)

Year	(xiii) Output of grain per capita of total population	(xiv) Output of grain per capita of peasant population	(xv) Grain retained per peasant including re-sales, including seed and fodder (jin) $\frac{\{(i)-(ii)+(iii)+(iv)\}}{(vii)}$	(xvi) Grain retained per peasant, including seed and fodder (jin)	(xvii) Grain retained per peasant, including seed and fodder (jin) (not specified if re-sales included)	(xviii) Personal grain consumption per peasant excluding seed and fodder (jin)
1949						
1952	549	697	494(557)(11)(12)			
1953	590	713	466(517)(11)(12)			
1953/4						
1954	617	773	464			
1954/5				506(11)	489(3)	453+(3)
1955	599	727	501			
1955/6				492(11)	477(3)	441+(3)
1956	645	784	580 -	-	-	-
1956/7				532(11)	518(3)	482(3)
1957	642	772	557			

TABLE 34: (Continued)

Year	(xix) (Liang-shi) Grain consumed per capita of urban population	(unified sale) (jin)	(xx) Personal grain consumption per peasant
	(jin)	(jin)	$\frac{\{(1) - [(11) + (111) + (14) + (v1)]\}}{(jin)}$
1949			
1952			439(501)(12)
1953			409(460)(12)
1953/4			
1954			404
1954/5	456(3)	387(13)	
1955			443
1955/6	414(3)	441(13)	
1956			524
1956/7	476(3)	428(13)	
1957			500

TABLE 34: (Continued)

Sources:	(1) Appendix B, Table 11.
	(2) Lin Cheng-ho, 'How should we look at the question of the peasants' living standard at the present time?', NFRB, 9th Oct. 1959.
	(3) Yang Meng, 'Is the rural population's grain consumption less than that of the cities?', NFRB, 13th Oct. 1957.
	(4) 'Last year's great leap in grain output cannot easily be erased, the improvement in the peasants' livelihood is as strong as a mountain', NFRB, 17th Oct. 1959.
	(5) Private communication from K.R. Walker.
	(6) Interpolated.
	(7) Appendix B, Table 8, Figures in brackets are interpolated.
	(8) Derived from Ji Jin-zhang, 'Report on the final accounts for Guangdong province for 1956, and draft budget for 1957, NFRB, 27th July 1957.
	(9) Col.(viii) appears (on account of the year-to-year changes) to give only a rough approximation of peasant population. The average of all years from 1952 to 1957 for peasant as a proportion of total population is 81.6 per cent. It has been assumed that non-peasant population occupied a constant proportion (18.4 per cent) throughout these years.
	(10) Derived from Col.(vii), on the basis that in 1957 rural population = 32.5 m. and urban population = 5.5 m. (Appendix B, Table 8), and that over the whole of China rural population as a proportion of total population declined from 86.2 per cent in 1953 to 85.8 per cent in 1957 (Chen, <u>Chinese Economic Statistics</u> , p.127). A similar slight decline has been assumed for Guangdong province.
	(11) Guangdong CCP Committee, Propaganda Dept., 'Correctly understand the relationship between the workers and the peasants, develop the consolidation of the worker-peasant alliance', NFRB, 28th Aug. 1957.
	(12) On the assumption that private grain sales remain in the countryside.
	(13) Guangdong CCP 'Correctly understands the relationship ...'.

TABLE 34: (Continued)

General note:

Chinese sources give direct information on the level of peasant grain consumption (Col.'s (xvi), (xvii) and (xviii)). In making my own calculations (Col.'s (xv) and (xx)), I have had to decide whether Col.(iii) was "net" (i.e. had already deducted state re-sales). If one assumes, as I have, that this Col. is indeed "net", then the figures on peasant grain consumption come out close to the direct Chinese data. Moreover, the original source from which Col.(iii) is taken implies that it is net of re-sales (though this is not explicitly stated). If they are taken as "gross" figures, then net state purchases decline to negligible levels, which is inconsistent with the widespread complaints about state purchases. Moreover, it would appear highly irrational to purchase large amounts of grain, ship them out of the rural areas, and then regularly ship back 70 to 90 per cent of it. The argument that this could be mainly to feed the peasants in grain - deficit areas does not stand up: there were 7 m. peasants in grain deficit areas in 1957 (Yang Meng, 'Is the rural population's grain consumption ...'). On the generous assumption that each was supplied with 100 - 150 jin of grain each, the total still amounts to well under a third of total re-sales in the mid-1950s. However, if one makes this assumption (i.e. that Col.(iii) is "net" not "gross", then, on the basis of the figures given for urban per capita consumption, a sizeable surplus of grain extracted from the countryside emerges. Part of this was shipped out of the province, part may have been used to feed non-peasants in the countryside, and possibly a part may have been assumed as urban above-quota grain (e.g. in pastry-shops and restaurants) but this would appear unlikely to absorb the total surplus. While this is not fully satisfactory, it is more so than assuming that rural grain consumption was a lot higher than it actually was (as is implied by accepting that Col.(iii) is a "gross" figure). For example, on the assumption that Col.(iii) is a "gross" figure, grain retained per rural inhabitant would have been 562 jin in 1954 and 604 jin in 1955 (or, per peasant, 608 jin and 630 jin respectively).

TABLE 35: Consumption of edible oil per capita in Guangdong
(Unit: jin)

Year	All Guangdong	Urban areas	Guangzhou	Peasants
'Pre-liberation'	-	-	-	1 (1)
1950	1.0(+) (2) (3)	-	8.0 (3) (4)	1 (2) (3) (5)
1951	2.69 (3) (6)	-	12.66 (3) (6)	-
1952	2.80 (3) (6)	-	13.38 (3) (6)	-
	3.08 (5)			
	3.6 (2)			
1953	3.19 (3) (6)	-	14.20 (3) (6)	3 (3)
1954	3.3 (4)	-	12.0 (4)	2.5 (4) (7)
1955	4 (4)	5-9 (7) (a)	12.0 (4) (7)	2.99 (3) (8) (9)
	4.25 (2)			3.5 (4) (7)
	4.29 (5)			
1956	4.31 (5)	7 (2) (b)	7 (11)	3.4 (2) (5)
			10.5 (10) (c)	3.5 (1) (3) (8) (9) (12)
			12 (2)	
1957	-	-	7.5 (10) (12) (13) (c)	3 (13) (c)

- Sources: (1) Fang Lie and Huang Hua-qiang, 'A discussion about some questions concerning the peasant's living standards', NFRB, 13th Apr. 1957.
- (2) 'Edible oil supplies can only increase gradually', NFRB, 28th Dec. 1956.
- (3) Lin Cheng-bo, 'How do we look at the question ...'
- (4) Editorial, 'Carry out well the work of edible oil and sugar supply', NFRB, 4th Mar. 1955.
- (5) Guangdong CCP, 'Affirm achievements, overcome shortcomings...'
- (6) 'We should have a correct understanding of the situation of production and sale of edible oil', NFRB, 12th May 1954.
- (7) Guangdong People's Council, 'On the way to carry out planned supply of edible oil and sugar', NFRB, 4th Mar. 1955.
- (8) Li Wen-hua, 'From the expansion ...'
- (9) Editorial, 'Struggle hard ...'
- (10) Xi Yi-yue, 'A report on a survey of the food ration in Guangzhou', LS, No.6, 1957, translated in ECM, No.97, 1957.
- (11) Guangdong CCP, 'Correctly understand the relationship ...'
- (12) Tao Zhu, 'Work report ...'
- (13) Chen Liu, 'The way in which ...'

.../Cont'd

TABLE 35: (Cont'd)

- Notes: (a) Smaller municipalities and towns, supplies depending on size.
 (b) Small towns.
 (c) Monthly figure multiplied by twelve.

TABLE 36: Per capita consumption of cotton cloth in Guangdong
(Unit: chi)

Year	All Guangdong	Urban areas	Guangzhou	Peasants
'Pre-Liberation'	-	-	-	3-4(1)
1950	6.5(2)(3)(a)	-	-	-
1951	8.8(2)(3)(a)	18.2(4)	-	6.9(4)(b)
1952	9.4(5)(1)	-	25.8(3)	-
	9.8(2)(3)(a)			
1953	16.8(2)(3)(a)	25.2(4)	27.5(3)	15.8(4)(b)
1954	(19.1(2)(3)(a)(c))	-	(33.2(3)(d))	-
1955	13.6(5)	-	-	14.4(6)
1956	19.0(5)(1)	-	-	18.5(6)(1)
1957	17.8(8)	-	29.5(7)(e)	-
1958	17(8)	-	-	-

- Sources: (1) Fang Lie and Huang Hua-qiang, 'A discussion ...'
 (2) Editorial, 'Support the planned purchase and planned supply of cotton cloth', NFRB, 15th Sept. 1954.
 (3) 'A discussion on propaganda for the planned purchase and supply of cotton cloth', NFRB, 17th Sep. 1954.
 (4) Chen Liu, 'The way in which ...'
 (5) Guangdong CCP, 'Correctly understand the relationship ...'
 (6) Editorial, 'Struggle hard ...'
 (7) Tao Zhu, 'Work report ...'
 (8) Chen Yu, 'Guangdong People's Council Work Report', NFRB, 26th Sept. 1958.

- Notes: (a) Excluding knitted goods, linen goods, and cotton consumed in industry and suchlike uses.
 (b) 41 representative villages in East Guangdong.
 (c) Estimate.
 (d) 16.6 chi in the first six months multiplied by two to give whole-year figure.
 (e) 34 chi for first six months (annual rate); 25 chi for second six months (annual rate).

TABLE 37: Per capita pork consumption in Guangdong
(Unit: jin)

Year	All Guangdong	Urban areas	Guangzhou	Peasants
1951	11 (1) 11.7 (2)	-	27.6 (2)	-
1952	14 (1) 15 (3)	-	29.5 (2)	-
1953	15 (1) (2)	-	33.3 (2)	-
1956	-	-	-	12 (4)
1957	13.4 (3) 12.2 (8)	-	12 (5) (a) <14 (6) 18.5 (7) (b)	-
1958	15.7 (8)	-	-	-

Sources: (1) 'Why are supplies of pork inadequate?' NFRB, 25th Aug. 1954.

(2) 'Correctly understand the phenomenon of pork supply's inadequacy', NFRB, 5th Jun. 1954.

(3) Fan Wang-xian, 'Steadily transform the work ...'

(4) Li Wen-hua, 'From the expansion ...'

(5) Xi Yi-yue, 'A report of a survey ...'

(6) Chen Liu, 'The way in which ...'

(7) Tao Zhu, 'Work report ...'

(8) Chen Yu, 'Guangdong People's Council Work Report', NFRB, 26th Sept. 1958.

Notes: (a) Monthly figures multiplied by twelve. In addition to pork, Guangzhou residents in 1957 also consumed 12 jin of beef per capita in 1957.

(b) Monthly figures multiplied by twelve.

TABLE 38: Per capita consumption of sugar in Guangdong
(Unit: jin)

Year	All Guangdong	Urban areas	Guangzhou	Peasants
1952	4.0 (1)	-	-	-
1953	5.45(2)	-	-	-
1954	6.4 (3)	-	-	5.25(4)
1955	6.93(1) 7.2 (3)	5.6 - 7.5(4) (a)	10(4)	6.02(4)
1956	8.13(1)	-	-	7.23
1957	8.1(6) - 8.36(2)	-	-	-
1958	8.7(6)	-	-	-

Sources: (1) Guangdong CCP, 'Affirm achievements, overcome shortcomings...'
(2) Fan Wang-xian, 'Steadily transform the work ...'
(3) Editorial, 'Carry out well ...'
(4) Guangdong People's Council, 'On the way in which to carry out ...'
(5) Editorial, 'Struggle hard ...'
(6) Chen Yu, 'Guangdong People's Council Work Report', NFRB, 26TH Sept, 1958.

Notes: (a) Municipalities of over 100,000 inhabitants, with different supply norms for different parts of Guangdong.

TABLE 39: Per capita consumption of peasants, All China

Item	Unit	1952	1956	Compound annual growth rate (%), 1952-6
Grain (a)	jin	443.5	487.5	2.4
Pork	jin	9.9	7.7	-5.1
Edible oil	jin	3.2	3.8	4.4
Edible sugar	jin	1.0	1.7	14.2
Cotton cloth (b)	chi	14.2	20.0	8.8
Knitted goods (c)	jin	0.147	0.298	19.3
Silk (d)	chi	6.70	15.76	23.7
Thermos flasks(d)	no.	36.09	142.25	40.9
Soap (d)	cakes	670	1230	16.4
Bicycles (d)	no.	0.36	2.99	70.0

Sources: Xu Gang, 'Haven't the living standards ...'

Notes: (a) Excluding soya beans; yuan-liang.
(b) Excluding native coarse cloth.
(c) Woollen yarn
(d) Per 10,000 peasants.

TABLE 40: Per capita consumption of the population of Jiangxi province

Item	Unit	1950	1951	1952	1953	1954	1955	1956
Salt	jin	10.14	10.67	11.59	12.47	12.95	13.05	13.07
Pork	jin	8.61	10.46	13.59	14.55	13.98	10.80	11.32
Cotton cloth	jin	6.50	9.90	11.65	17.51	17.88	17.94	26.41
Towels	no.	0.15	0.17	0.19	0.21	0.25	0.27	0.39
Soap	bars	1.07	1.16	1.23	1.34	1.57	1.75	2.09
Sweatshirts	no.	-	-	0.028	0.038	0.056	0.066	0.104
Cigarettes	no.(zhi)	77.0	85.0	105.0	140.0	155.0	157.0	164.0
Matches	boxes	5.6	6.1	6.9	7.5	8.4	8.8	9.9
Kerosene	jin	0.12	0.13	0.19	0.43	1.11	1.13	1.16
Rubber shoes	pairs	0.14	0.17	0.19	0.22	0.23	0.24	0.28
Sugar	jin	1.18	1.37	1.61	1.85	1.86	2.22	2.60
Socks	pairs	0.42	0.47	0.54	0.58	0.60	0.62	0.82

Source: 'Our province is the same as the whole of China in that the people's living standards are year after year rising magnificently', JXR, 1st Jul. 1957.

TABLE 41: Expansion of education in Guangdong

Name of shi, S.D., xian.	Year	No. of students in:-			No. of people attending:-		
		(i) All schools	(ii) Primary schools	(iii) Middle schools	(i) 'Abolish illiteracy' classes	(ii) After-work night school classes	Population(m)
All Guangdong	1946	2,446,863 (1)	2,293,909 (1)	152,954 (1) (a)			30.1 (2)
	1949	1,748,812 (1)	1,592,457 (1)	141,743 (1) (a)			32.0 (2)
	1954	3,564,000 (3)	3,250,000 (3)	314,000 (3)			35.6 (2)
	1956	n.a.	4,200,000 (4)	n.a.			30.6 (2)
	1957	4,532,375 (1)	4,037,940 (1)	494,435 (1) (a)			38.0 (2)
	1958	5,899,662 (1)	5,255,019 (1)	664,343 (1) (a)			38.8 (2)
Guangzhou shi	1949	86,759 (5)	60,300 (5)	26,459 (5)			1.172 (6)
	1952	133,237 (7)	n.a.	n.a.			1.316 (6)
	1955	259,324 (7)	n.a.	n.a.			1.706 (6)
	1959	424,926 (5)	322,000 (5)	102,926 (5)		453,094 (a)	2.5 (approx) (6)
Haikou shi	1957	23,284 (8)	17,622 (8)	5,662 (8)			0.120 (8)
Hainan Island	1950	177,560 (9)	163,433 (9)	14,127 (9)			(9) (b)
	1956	385,170 (9)	343,513 (9)	41,657 (9)	513,596 (9)	56,016 (9)	2.560 (p) (1958)
Shao Guan S.D.	1956	n.a.	286,000 (p) (9)	n.a.			2.860 (p) (10)

Name of shi, S.D., xian.	Year	No. of students in:-			No. of people attending:-			Population(m)
		(i) All schools	(ii) Primary schools	(iii) Middle schools	(i) 'Abolish illiteracy' classes	(ii) After-work night school classes		
Shan Tou S.D.	1957	945,023(p) ⁽¹¹⁾	816,236(p) ⁽¹¹⁾	128,787(p) ⁽¹¹⁾			7,500(p) ⁽¹¹⁾	
Gao Yao xian	1955	40,491(p) ⁽¹²⁾	38,278(p) ⁽¹²⁾	2,213(p) ⁽¹²⁾			0.505(p) ⁽¹²⁾	
	1956	48,944(p) ⁽¹²⁾	46,087(p) ⁽¹²⁾	2,857(p) ⁽¹²⁾	71,000 ⁽¹²⁾		0.517(p) ⁽¹²⁾	
Guang Ning xian	1950	6,049 ⁽¹³⁾	5,499 ⁽¹³⁾	550 ⁽¹³⁾			0.230(1952)	
	1956	31,921 ⁽¹³⁾	30,221 ⁽¹³⁾	1,700 ⁽¹³⁾			0.280(1957)	
							(13)	
Jiao Ling xian	1956	20,367 ⁽¹⁴⁾	16,642 ⁽¹⁴⁾	3,725 ⁽¹⁴⁾				
Lian Nan xian	1953	n.a.	523 ⁽¹⁵⁾	n.a.			0.0237 ⁽¹⁵⁾	
	1956	n.a.	2,021 ⁽¹⁵⁾	n.a.			0.0291 ⁽¹⁵⁾	
Lu Feng xian	1955	33,711 ⁽¹⁶⁾	31,795 ⁽¹⁶⁾	1,916 ⁽¹⁶⁾				
	1956	44,531 ⁽¹⁶⁾	41,000 ⁽¹⁶⁾	3,531 ⁽¹⁶⁾	80,000 ⁽¹⁶⁾			

Name of shi S.D., xian.	Year	No. of students in:-			No. of people attending:-		
		(i) All schools	(ii) Primary schools	(iii) Middle schools	(i) 'Abolish illiteracy' classes	(ii) After-work night school classes	Population(m)
<hr/>							
Wei xian	1942	64,815 (8)	n.a.	n.a.			
	1948	n.a.	n.a.	9,500 (17)			
	1949	n.a.	43,000 (8)	n.a.			
	1950	65,453 (17)	55,160 (17)	10,293 (17)			
	1956	90,500 (17)	65,036 (17)	25,464 (17)			0.460 (p) (1957) (8)
<hr/>							
Yu Ning xian	1949	34,246 (18)(11)	31,964 (18)(11)	2,282 (18)(11)			
	1957	91,228 (11)	79,431 (11)	11,797 (18)(11)			
<hr/>							
Yu Jiang xian	1954	16,661 (p) (19)	16,302 (p) (19)	359 (p) (19)		7,442 (p) (19)	
	1956	25,283 (p) (19)	24,369 (p) (19)	914 (p) (19)		11,893 (p) (19)	0.169 (p) (19) (c)
<hr/>							
Yai Shan xian	1957	85,000 (8)	n.a.	n.a.			0.680 (8)
<hr/>							
Yu Wen xian	1956	21,072 (20)	n.a.	n.a.			0.180 (20)

Name of shi, S.D., xian.	Year	No. of students in:-			No. of people attending:-			Population(m)
		(i) All schools	(ii) Primary schools	(iii) Middle schools	(i)'Abolish illiteracy' classes	(ii) After-work night school classes		

Ya xian	Pre- 1949	n.a.	8,257(p) ⁽²¹⁾	n.a.			
	1949	n.a.	n.a.	1,117(p) ⁽²¹⁾			
	1956)		n.a.	2,081(p) ⁽²¹⁾			
	1957 }	28,400(p) ⁽²¹⁾	26,330(p) ⁽²¹⁾	n.a.			

Li-Miao							
Autonomous	1955	53,174 ⁽²²⁾	50,837 ⁽²²⁾	2,327 ⁽²²⁾			
zhou	1956	72,720 ⁽²²⁾	69,024 ⁽²²⁾	3,696 ⁽²²⁾			579,547 ⁽²²⁾

- Sources: (1) Qu Meng-jue, 'The great achievement of Guangdong in educational work in the past ten years', NFRB, 1st Oct. 1959
- (2) Interpolated from Appendix B, Table 34
- (3) 'Report on the development of the national economy and the carrying out of the state plan in Guangdong', NFRB, 5th Oct. 1955
- (4) Tao Zhu, 'Develop enthusiasm to a high level...'
- (5) 'Guangzhou education's great leap forward', NFRB, 15th Oct. 1959.
- (6) Appendix C, Table 19.
- (7) Zhu Guang, 'Resolutely struggle to complete our tasks in the state's First Five Year Plan', NFRB, 6th Dec. 1955.
- (8) Hong Kong Economic Reporter (Xiang-gang jing-ji dao-bao), Guangdong Travel Handbook (Guang-dong lu-xing shou-ce), 1958.
- (9) 'The people of Hainan don't permit the slanderous rumours of Rightist element Yun Ying-lin', NFRB, 7th Aug. 1957.
- (10) 'The superiority of the co-operative system cannot any longer be denied', NFRB, 5th Aug. 1957.
- (11) 'The Rightist Party's nonsensical utterances', NFRB, 11th Aug. 1957.
- (12) 'We definitely do not allow the bankrupt slanders of the Rightist Party elements', NFRB, 14th Aug. 1957.
- (13) Guo Yong, 'The facts of Guang Ning xian also refute the absurd statement of the Rightist Party', NFRB, 18th Aug. 1957.
- (14) 'Struggle to transform oneself in the fight against the Rightist Party', NFRB, 14th Aug. 1957.
- (15) 'What does the transformation of the population of Lian Nan Yao prove?', NFRB, 8th Aug. 1957.
- (16) 'Our future is limitlessly excellent', NFRB, 14th Aug. 1957.
- (17) 'The living standards of the people of Mei xian are uninterruptedly rising', NFRB, 8th Aug. 1957.
- (18) 'The excellent living standards do not allow the Rightist Party to do any damage', NFRB, 15th Aug. 1957.
- (19) 'We must defend the socialist system', NFRB, 9th Aug. 1957.
- (20) 'Are things completely messed up?', NFRB, 20th Aug. 1957.
- (21) 'The living standards of the Ya xian peasants are getting better year after year' NFRB, 15th Aug. 1957.
- (22) Chen Si-de, 'Last year's grain production rose by 40 per cent and peasant income by 30 per cent', NFRB, 4th Jan. 1957.

Notes: (p) peasants only.
(a) Middle-level technical schools plus normal middle schools.

- (b) No. of agricultural households in 1958=639,649 ('Comparative statistics on pig-rearing in Guangdong', NFRB, 31st May 1958). A rough figure for total agricultural population was calculated on the assumption that the average size of peasant households was four persons, as shown in a survey in 1956 of 609 APCs in Guangdong ('Is the difference between the living standard of the workers and peasants very great?', NFRB, 10th Oct. 1957).
- (c) Figure for agricultural households was derived, and the total agricultural population derived from that in the same manner as in (b).
- (d) Spare time schools.

APPENDIX C

TABLE 1: Average per capita income of staff and workers in Guangdong after the wage reform, 1956.
(Unit: yuan)

Area	Income per capita per month	Annual income at post-wage reform monthly rate, per capita
All-Guangdong (1) (a)	12.75	153 (whole-year figure)
All-Guangdong (2) (b)	14.9	179
Guangzhou:- (3) (c)	(18.5 (basic wages) (20.7 (basic wages) plus extra-wage income)	222) 248)
(4) (d)	21 (-odd)	252
(5) (e)	15.4 - 22.2	185-266

- Sources: (1) 'Is the difference ...'
 (2) 'This year the average level of wages ...'
 (3) Materials Department, 'A comparison ...'
 (4) Fang Lie and Huang Hua-qiang, 'A discussion of some questions ...'
 (5) 'Average wages of workers in Guangzhou reach over 61 yuan', NFRB, 26th Nov. 1956.

- Notes: (a) The average wage of staff and workers (including Government cadres) in 1956 after the wage reform was given as 49.8 yuan per month, and the average income per capita as 153 yuan in 1956.
- (b) Derived in the following way. The increase in the wage bill from April to December (inclusive) in 1956 was given as 51 million yuan, representing an increase of 15.5 per cent in the average level of wages of all Guangdong's 630,000 staff and workers, in relation to 1955 wage levels. This implies an average monthly wage of 85.1 yuan per worker. Using the all-Guangdong figure for worker-dependent ratio for staff and workers given in NFRB, 10th Oct. 1957 ('Is the difference ...') a monthly per capita income of 14.9 yuan is arrived at.
- (c) From a survey of 8,447 staff and workers in four industrial departments (machine-making, textiles, food, and light industry) in Guangzhou in 1956. It gives the average monthly basic wage as 51.51 yuan. Per capita figures are derived from the same source, which quotes a survey of 420 staff

.../Cont'd

TABLE 1: (Cont'd)

- (c) ...
and workers households in Guangzhou as having an average size of 3.98 people, and an average of 1.43 employed persons per household. Extra-wage income in the large survey was given as 6 yuan per month per worker, said to be "about 10 per cent of wage income".
- (d) From Guangzhou Statistical Bureau in third quarter of 1956. The average monthly wage in seven departments (industry, capital construction, communications, posts and telegraph, state-run trading, education and health) came to 86.97 yuan. The survey reported that each worker had to support himself/herself and three additional people, giving the average per capita monthly income figure of 21-odd yuan.
- (e) Derived. This source gives the average monthly wage after the wage reform as 61.62 yuan, from a survey of 73,212 staff and workers in state-run, local state-run, and old private and public jointly run enterprises. To arrive at a per capita figure the monthly wage was divided by the two figures given above ((c) and (d)) for worker-dependent ratios in Guangzhou.

TABLE 2: Comparison of retail prices in rural and urban areas: Hunan province rural price, compared with urban prices from Beijing and Shanghai, 1955.

Item	Unit	Cost (Yuan) per unit in:			Beijing as % of villages	Shanghai as % of villages
		Villages	Beijing	Shanghai		
Rice	jin	0.076	0.148	0.121	194.7	159.2
Sweet potato	jin	0.013	0.04	0.04	307.7	307.7
Edible oil	jin	0.56	0.59	0.61	105.4	108.9
Salt	jin	0.15	0.20	0.15	133.3	100.0
Pork	jin	0.46	0.77	0.78	167.4	169.6
Cloth	chi	0.40	0.40	0.40	100.0	100.0
Socks	pairs	0.50	0.50	0.50	100.0	100.0
Hemp	jin	1.00	1.00	1.00	100.0	100.0
Shoes	pairs	4.50	4.50	4.50	100.0	100.0

Source: Tan Zhen-lin, 'Preliminary survey ...'

Notes: Data for 'the villages' are from a study of the budget of Li Yu-fang in Da Xin-ang in Hunan province.

TABLE 3: The differential between rural and urban areas' retail prices in Guangdong province: a comparison of Wu Zi xiang, Lian Jiang xian, and Zhan Jiang municipality, 1956.

Item	Unit	Price(yuan) per unit in:		Zhan Jiang as % of Wu Zi
		Wu Zi xiang	Zhan Jiang municipality	
Rice (da mi)	jin	0.10	0.13	130
Sweet potatoes	jin	0.02	0.03	150
Taro	jin	0.02	0.05	250
Pork	jin	0.68	0.82	121

Source: 'Is the difference ...'

TABLE 4: Differential between rural and urban retail prices in Henan province, 1956

Item	Unit	Price (yuan) per unit in:		Urban areas as % of villages
		villages	urban areas	
Wheat	jin	0.101	0.170	168
Vegetables	jin	0.022	0.075	341
Eggs	each	0.028	0.041	146
Salt	jin	0.15	0.14	93
White sugar	jin	-	-	98.5 - 99.3
Rubber shoes	each	-	-	97
Calico	chi	0.295	0.290	98.3
Matches	boxes	-	-	97.6 - 98.5

Source: Henan Statistical Bureau, 'The living standard of workers and peasants ...'

Note: Survey of 373 worker households in the municipalities of Chengzhou, Loyang and Kaifeng, and 1,404 peasant households.

TABLE 5: The differential in income between low grade workers and 'staff and workers' as a whole
(Unit: yuan)

Area/province	Year	Average per capita earnings of:		Earnings of low grade workers as % of 'staff and workers'
		staff and workers	low grade workers	
All-China (1)	1955	183	166(a)	90.7
Jiangxi (2)	1957	143.7(b)	121.51(b)(c)	84.6
Jilin (3)	1956	173	130.4 (d)	75.4
Henan (4)	1956	152.74	123.04(e)	80.6

Source: (1) State Statistical Bureau, 'How can it be said ...'
 (2) 'An outline of the relationship ...'
 (3) Jilin Provincial, 'A comparison of the living standard ...'
 (4) Henan Statistical Bureau, 'The living standard of workers and peasants ...'

Notes: (a) Low grade industrial workers (di-ji gong-ren), in wage grades 1 and 2. The figure includes all income; standard wages above = 134 yuan.
 (b) Both figures are for industrial workers (gong-ren) only.
 (c) Workers of grade 4 and below.
 (d) Industrial workers (gong-ren) and clerical workers (zhi-yuan), excluding skilled workers, engineers, technicians, and higher-level intellectuals.
 (e) Industrial workers (gong-ren) only - excluding clerical workers, engineers, and leading cadres in offices and business enterprises.

TABLE 6 : Per capita commodity and non-commodity expenditure
for staff and workers, and for peasants, all-China, 1955

Expenditure categories	Staff and workers yuan	Peasants yuan	Staff and workers %	Peasants %
Total (including non- commodity)	173	97	100	100
Excluding non-commodity	138	93	79.8	95.9
Non-commodity	35	4	20.2	4.1
of which:				
rent, transportation, water and electricity	10.4	-	6.0	-

Source: State Statistical Bureau, 'How can it be said ...'

TABLE 7: Consumption of APC member Li Yu-fang in Da Xin ~~APC~~, Hunan province, and the cost of the same living standard in Beijing and Shanghai, 1955

Item	Unit	Actual consumption of Li's family:		Cost of same items:	
		Physical	Value yuan	Beijing yuan	Shanghai yuan
Rice	jin	2310	175.56	342.0	279.5
Sweet potato	jin	800	10.40	32.0	32.0
Oil	jin	24	13.44	14.2	14.64
Salt	jin	60	9.00	12.0	9.0
Pork	jin	40	18.40	30.8	31.2
Bean curd, sugar, etc.		-	11.36	11.36	11.36
Vegetables		-	-	108.0	75.6
Coal briquettes		-	-	43.2	102.6
Cloth	chi	72	28.80	28.8	28.8
Socks	pairs	6	3.0	3.0	3.0
Hemp	jin	3	3.0	3.0	3.0
Overshoes	pairs	1	4.5	4.5	4.5
Rent, water, power		-	1.0	72.0	124.56
Medical expenses		-	12.0	12.0	12.0
Maternity expenses		-	12.0	12.0	12.0
TOTAL		-	302.46	728.86	743.36

Source: Tan Zhen-lin, 'Preliminary survey ...'

- Notes:
- (a) No conversions have been made in respect of cloth, socks, hemp, medical expenses, and maternity expenses.
 - (b) Shanghai prices for sweet potatoes are taken as the same as those for Beijing.
 - (c) Vegetables are estimated at 1 jin per day.
 - (d) Coal briquettes are estimated at 3,600 jin per year.
 - (e) Rent and utility charges in Beijing are estimated at 1 yuan per capita per month; in Shanghai rent is estimated at 1.19 yuan per capita per month, and utility charges at 0.54 yuan per capita per month.

TABLE 8: Per capita consumption of important commodities by peasants, and by staff and workers, all-China, 1955

Item	Unit	Peasants	Staff and workers	Staff and workers as a % of peasants
Grain (liang-shi)	jin	377.6	316.9	83.9
Pork	jin	6.6	11.8	178.8
Vegetables	jin	177.2	162.5	91.7
Vegetable oil	jin	2.4	9.1	379.2
Cotton cloth	chi	17.6	34.1(a)	193.8
Sugar	jin	0.8	2.6	325

Source: State Statistical Bureau, 'How can it be said ...'

Note: (a) 16 per cent of the cotton cloth consumed by staff and workers consists of ready-made clothing.

TABLE 9: Per capita consumption by peasants, and by staff and workers, all-China, 1956

Item	Unit	Peasants	Staff and workers (1) (a)	Staff and workers as % of peasants
Grain:				
(i) yuan-liang	jin	487.5 (2) (b)	-	-
(ii) liang-shi	jin	425 (1)	331.99	78.1
Pork	jin	7.7 (1) (2)	11.53	149.7
Vegetable oil	jin	3.8 (1) (2)	-	-
Sugar	jin	1.7 (1) (2)	-	-
Cotton cloth (c)	chi	20.0 (1) (2)	35.06	175.3
Fresh vegetables	jin	-	218.76	-
Knitted goods (wool)	jin	0.298	-	-
Silk	chi	0.0016	-	-
Thermos flasks	no.	0.014	-	-
Soap	cakes (kuai)	0.861	-	-
Bicycles	no.	0.0003	-	-

Sources: (1) Zhou Jing-yu, 'Who says ...'
(2) Xu Gang, 'Haven't the living standards ...'

Notes: (a) State Statistical Bureau survey of 5,793 staff and workers in 27 cities including Beijing, Tianjin, Guangzhou, Wuhan, Xian, and Zhongqing.
(b) Excluding soyabean.
(c) Including native coarse cloth.

TABLE 10.: Guangdong province: consumption per capita of major items in mid-1950s

Item	Unit	Year	Peasants	Urban population (cheng-shi ren-min)	Urban population as % of peasants
Grain (1)	jin	1956-57	482 (a) } (518) (b) } (c)	476 (d)	98.76
Edible oil (2)	jin	1956	3.4	7.0 (e) 12.0 (f)	205.9 352.9
Pork (3)	jin	1953	<15 (g)	33.6 (h)	>224
Cotton cloth (4)	chi	1953	15.81	25.15	159
Sugar (5)	jin	1956	7.23	-	-
Vests (bei-xin) (5)	no.	1956	0.039	-	-
Towels (mao-jin) (5)	no.	1956	0.079	-	-

- Sources: (1) Yang Meng, 'Is the rural population's grain consumption (kou-liang) less than that of the cities?', NFRB, 13th Oct. 1957.
- (2) 'Edible oil supplies can only increase gradually', NFRB, 28th Dec. 1956.
- (3) 'Correctly understand the phenomenon ...'
- (4) Chen Liu, 'The way in which ...'
- (5) Editorial, 'Struggle hard for a bumper harvest', NFRB, 16th Feb. 1957.

- Notes: (a) Excludes seed and fodder.
- (b) Includes seed and fodder.
- (c) Liu-gu.
- (d) Dao-gu.
- (e) Small towns.
- (f) Guangzhou
- (g) All-Guangdong, including urban areas.
- (h) Guangzhou only.

TABLE 11: Per capita consumption of peasants, and of staff and workers, in Henan province, 1956

Item	Unit	Peasants	Staff and workers	Staff and workers as a % of peasants
Grain (equivalent in yuan-liang)	jin	429.0	406.98	94.9
of which:				
Fine grain (xi-liang)	jin	181.17	368.15	203.2
Pork	jin	2.51	6.15	245.0
Beef, mutton, vegetable oil, cigarettes }	-	-	-	"a bit more than the peasants in each case"

Source: Henan Statistical Bureau, 'The living standard of workers and peasants ...'

TABLE 12: Per capita consumption of peasants, and of staff and workers, in Jilin province, 1956

Item	Unit	Peasants	Staff and workers	Staff and workers as a % of peasants
Grain (liang-shi)				
(i)	jin	385(ii)	350	90.9
of which:				
Coarse grain (cu-liang) (i)	jin	331(ii)	175	52.9
Vegetables (i)	jin	-	250	-
Pork (i)	jin	10(ii)	11-16	110-160
Eggs (i)	no.	-	20	-
Edible oil (i)	jin	3(ii)	-	-
Cotton cloth	chi	21-29(ii)	30-40	138-143

Sources: (i) Jilin Provincial, 'A comparison of the living standards ...'
(ii) Xu Gang, 'Haven't the living standards ...'

TABLE 13: Per capita consumption of peasants, and of staff and workers, in Shanxi province, 1956

Item	Unit	Peasants	Staff and workers	Staff and workers as a % of peasants
Cotton cloth	chi	18.8	32.95	175.3
Salt	jin	10.9	-	-
Pork	jin	1.21	5.8	479.3
Vegetable oil	jin	-	7.2	-

Source: 'Our province's achievement ...'

TABLE 14: Per capita consumption of staff and workers in Shanghai in 1956 and Beijing in 1957

Item	Unit	Shanghai ^(a)	Beijing ^(b)
Rice (da-mi)	jin	270.74	134.7
Flour	jin	15.68	152.6
Grain (liang-shi)	jin	-	373.7
Pork	jin	16.21	8.04
Eggs	no.	84.23	-
Vegetables	jin	193.50	-
Vegetable oil	jin	10.20	8.52
Animal oil	jin	0.70	-
Sugar	jin	4.17	3.48
Cigarettes	packets (bao)	32.36	-
Cotton cloth	chi	41.99	-
Woollen cloth	metres	0.05	-
Leather shoes	pairs	0.27	-
Radios	no.	0.0024	-
Wristwatches	no.	0.0075	-
Bicycles	no.	0.0054	-

Source: Xu Gang, 'Haven't the living standards ...'

Notes: (a) Survey of 534 households (2,539 people).

(b) Survey of 199 households of industrial workers (gong-ren) in April 1957; annual figure was derived by multiplying figure for April by twelve.

TABLE 15: Comparison of consumption of peasants, and staff and workers, in China
(Unit: yuan per capita)

	1936	1952	1955	1956
1. Peasants (a)	61.2	72.8	-	84.2
Staff and workers (a)	130	167.7	-	199.8
2. Peasants (b)	61.2	-	78.9	80.8
Staff and workers (b)	130	-	163.8	166.4
3. Peasants (b)(c)	61.2	72	78.9	81
Staff and workers (b)(c)	130	151	164.6	179.6

Sources: (1) Zhou Jing-yu, 'Who says ...'
(2) Li Yi-wei and Na Yi-shi, 'The difference between the livelihoods ...'
(3) 'A discussion of some ways ...'

Notes: (a) Actual consumption (shi-ji xiao-fei) (i.e. at constant prices?)
(b) Average consumption (ping-jun xiao-fei).
(c) At constant (1952) prices.

TABLE 16: Average wages of staff and workers in Guangdong province

Unit:	yuan	
<u>Guangzhou</u>	<u>Whole province</u>	
n.a.	1949	324 (1)(2)(3)(i)
n.a.	1952	393 (3)(i)
	1956	590 (annual rate, pre-Wage Reform)(1)(i) } 748 (4)(ii)-
1044(6)(iv)		668 (" " post- " ") (1)(i) } 768 (5)(ii)
n.a.	1958	528 (2)(3)(i)(ii)

Notes: (i) Staff and workers in state and locally-managed industrial and mining enterprises.

(ii) Presumably these data include some higher-level cadres whose incomes were not included in (i).

(iii) This piece of information does not fit in with the normally-accepted view of the change in money wages for staff and workers in 1958 (Howe, Wage patterns and wage policy, p.31).

(iv) From a survey of seven departments in the third quarter of 1956. The departments were: industry, capital construction, communications, post and telegraph service, state trading, education, health.

Sources: (1) Tao Zhu, 'Work Report ...'

(2) Tao Zhu, 'Welcoming the great achievements of ten years since the founding of the state', NTRB, 1st Oct. 1959.

(3) Chen Yu, 'Welcoming the general line's red flag ...'

(4) Guangdong CCP 'Correctly understand ...'

(5) Xi Si, 'A discussion ...'

(6) Fang Lie and Huang-qiang, 'A discussion ...'

TABLE 17: Comparison of growth of wages of staff and workers, with per capita income of peasants, various provinces (Unit: yuan (current yuan unless otherwise stated))

	1936	1949	1950	1951	1952	1953	1954	1955	1956
<u>Liaoning (1)</u>									
Staff and workers	-	-	-	-	534	-	-	-	723
Peasants	-	-	-	-	88	-	-	-	120.9
<u>Anhui (2)</u>									
Staff and workers (a)	-	357	375	395	415	469	481	475	548
Peasants (b)	-	46.8	-	-	60.8	-	-	-	71.9
<u>Fujian (3)</u>									
Staff and workers	-	-	-	-	361	-	-	-	553
Peasants (c)	-	-	60.8	-	-	-	-	-	88.8
<u>Hubei (4)</u>									
Staff and workers (d)	-	-	-	-	412.1	-	-	-	524.1
Peasants (e)	-	-	-	-	412.1	-	-	-	552.8
Peasants (f)	62.04	49.33	-	-	-	-	-	-	84.84
<u>Shanxi (5)</u>									
Staff and workers	444	-	-	-	-	-	-	-	592
Peasants	44	-	-	-	-	-	-	-	65

Sources: (1) 'The great transformation ...'
 (2) 'The question of the standard of living ...'
 (3) 'The material livelihood ...'
 (4) 'On the basis of the expansion of output ...'
 (5) Wei Heng, 'Political work report ...'

TABLE 17: (Cont'd)

Notes: (a) Industry (gong-ye) and enterprises (qi-ye).

(b) Net per capita income of agricultural population: gross income minus seeds, fertiliser, purchase of new implements, and payment of agricultural tax.

(c) Net income (jing shou-ru), including 'non-production' income.

(d) Constant prices.

(e) Current prices.

(f) Value of material and cultural livelihood consumption, including income from private sideline production.

TABLE 18: Increase in size of Guangzhou from different factors

(A) 1950-1957

Item	No.	%
Total increase (1)	629,000	100.0
of which:		
1. Inflow from outside Guangzhou (2)	209,407	33.3
(i) Inflow from rural areas (2)	(146,584)	(23.3)
(ii) Other inflows (a)	(62,823)	(10.0)
2. Natural increase (3)	419,593	66.7

Sources: (1) Appendix C, Table 36.
 (2) Zhu Guang, 'Resolutely struggle ...'
 (3) Derived.

Notes: (a) Returning tongbao from Hongkong and Macao and huaqiao from elsewhere.

(B) 1949-1955

Item	No.	%
Total increase (1)	534,000	100.0
of which:		
1. Inflow from outside Guangzhou (2)	312,200(a)	58.4
(i) Inflow from villages (2)	(218,400)	(40.9)
(ii) Other (2)	(93,800)	(17.6)
2. Natural increase (3)	221,800	41.5

Sources: (1) Appendix C, Table 36.
 (2) Chen Zhi-fang, 'Mobilise the surplus labour ...'
 (3) Derived.

Notes: (a) Up until August 1955.

TABLE 19: Guangzhou: Size, employment and unemployment

Year	Size (millions of people)	Employment (No.)	Unemployment (No.)
1932	1.043(1)	237,440(5)	-
1948	1.319(1)	-	-
1949	1.172(2)	-	-
1950	1.211(2)	-	-
1951	1.301(2)	-	-
1952	1.316(2)	-	-
1953	1.518(2)	-	-
1954	1.626(2)	-	-
1955	1.706(2) (a)	-	-
1956	1.649(3) (b)	578,520(5)	-
1957	1.840(4)	-	30,000(6)
1958	2.148(1)	-	-

- Sources: (1) Zhong Gong-fu and Li Ci-min, Pearl River Delta (Zhu-jiang san-jiao-zhou), Beijing: Commercial Printing Book Store, 1960.
- (2) Chen Zhi-fang, 'Mobilise the surplus labour ...'
- (3) Hong Kong Economic Reporter, Guangdong Travel Handbook.
- (4) State Statistical Bureau, Ten Great Years, reprinted Washington: Washington State College, 1974, p.13.
- (5) Materials Department, 'A comparison ...'
- (6) Xi Si, 'A discussion ...'
- Notes: (a) August
- (b) End-year.

APPENDIX D

TABLE 1: Arable area in different xians in Guangdong (Unit: mou)

Area	Year	Total	of which		
			Paddy field	Dry field	Sandy fields (sha-tian)
<u>Central Guangdong</u>					
<u>Pearl River Delta</u>					
Bao An xian (1)	1957	454,289	369,279	85,010	-
Dong Guan xian (1)	1957	1,569,480	1,202,830	366,650	-
Fan Shun xian(1)(a)	1957	1,002,000	676,000	326,000	-
Nan Hai xian(1)	1957	1,363,000	1,072,000	292,000	-
Shun De xian(2)	1958 (?)	700,268(b)	143,328	n.a.	n.a.
Xin Hui xian(3)	1953	n.a.	950,000	n.a.	n.a.
(1)	1957	980,000	875,000	105,000	n.a.
Zhong Shan xian(4)	1955	n.a.	1,586,299	n.a.	n.a.
(4)	1956	n.a.	1,480,000	n.a.	1,300,000
(5)	1956	n.a.	1,547,132(c)	n.a.	n.a.
(1)	1957	2,011,730(d)	1,841,974	169,756	n.a.
(6)	1957	1,760,000	1,600,000	n.a.	n.a.
<u>Central Guangdong</u>					
<u>Non-Pearl River Delta</u>					
Po Luo xian(7)(e)	1956	1,135,000	825,000	310,000	n.a.
<u>Eastern Guangdong</u>					
Chao An xian(8)	1955	n.a.	(375,000)(f)	n.a.	n.a.
(9)	1957	310,000	n.a.	n.a.	n.a.
Cheng Hai xian(10)					
(c)(e)	1955	260,000	160,000	n.a.	11,845
(11)(g)	1957	401,000	170,000	120,000	105,000
Jie Yang xian(12)	1956	784,000	n.a.	n.a.	n.a.
Nan Ao xian(13)	1957	7,000	n.a.	n.a.	n.a.
<u>Western Guangdong</u>					
Fang Cheng xian(14)	1955	n.a.	(235,000)(f)	n.a.	n.a.
(14)	1956	n.a.	(390,000)(f)	n.a.	n.a.
Lian Jiang xian(15)	1953	n.a.	(780,000)(f)	n.a.	n.a.
Xu Wen xian(16)	1954	534,470	362,027	n.a.	n.a.
(16)	1955	578,318	378,318	n.a.	n.a.
<u>Northern Guangdong</u>					
Lian Ping xian(17)	1956	234,700	n.a.	n.a.	n.a.
Lian Shan xian(18)	1956	n.a.	120,000(c)	n.a.	n.a.
Qing Yuan xian(19)	1956	1,190,000	n.a.	n.a.	n.a.

.../Cont'd

TABLE 1: (Cont'd)

Area	Year	Total	of which		
			Paddy field	Dry field	Sandy fields (sha-tian)
Ren Hua xian(20)	1955	220,000	n.a.	n.a.	n.a.
(20)	1956	190,000	n.a.	n.a.	n.a.
Xin Feng xian(21)	1949	n.a.	286,092(c)	n.a.	n.a.
(21)	1953	n.a.	306,092(c)	n.a.	n.a.
(21)	1955	n.a.	308,728(c)	n.a.	n.a.
(22)	1956	220,000	n.a.	n.a.	n.a.
<u>Hainan Island</u>					
Wan Ning xian(23)	1956	(190,000(h))	n.a.	n.a.	n.a.

- Sources: (1) Zhong Gong-fu and Li Ci-min, Pearl River Delta.
 (2) Liang Ren-cai, et al., Economic Geography of South China, p.127.
 (3) 'Xin Hui xian this year increases grain output by 80 million jin', NFRB, 25th Nov. 1953.
 (4) 'Zhong Shan xian again increases rice output ...'
 (5) 'Zhong Shan xian already holds its first Party Congress', NFRB, 15th May 1956.
 (6) Hong Kong Economic Reporter, Guangdong Travel Handbook.
 (7) 'The first year of co-operation in Po Luo xian', NFRB, 6th Feb. 1957.
 (8) 'The first 1000-jin xian in the whole of China', NFRB, 8th Dec. 1955.
 (9) '1000-jin xian, Chao An, continues to advance', NFRB, 1st Jan. 1958.
 (10) 'The way in which Chao An and Cheng Hai became 1000-jin xians', NFRB, 31st Dec. 1955.
 (11) 'Cheng Hai xian grain output per mou first in the whole country', NFRB, 1st Jan. 1958.
 (12) 'Chao Shan Plain this year has five 1000-jin xians', NFRB, 9th Dec. 1956.
 (13) 'Investigate the contradictions ...'
 (14) 'Fang Cheng rice output has a bumper harvest', NFRB, 27th Dec. 1956.
 (15) 'West Guangdong autumn harvest completed: universal bumper harvest for late rice crop', NFRB, 30th Nov. 1953.
 (16) 'On the question of Xu Wen xian's agricultural development, and financial income and expenditure', NFRB, 13th Aug. 1956.
 (17) 'The reason for the change in the appearance of Lian Ping xian's villages', NFRB, 18th Feb. 1957.

.../Cont'd

TABLE 1: (Cont'd)

Sources: ...

- (18) 'Lian Shan xian grain output already surpasses next year's planned level', NFRB, 25th Dec. 1956.
- (19) 'Qing Yuan xian fixes next year's production targets ...'
- (20) 'The experience of success; the education of defeat', NFRB, 10th Dec. 1956.
- (21) 'Do not allow the rightist party elements to recklessly slander the mountain region peoples', NFRB, 13th Aug. 1957.
- (22) 'Xin Feng xian fixes a new policy ...'
- (23) 'Overfulfillment of grain increase target', NFRB, 22nd Nov. 1956.

Notes:

- (a) Shun De xian plus the southern part of Fan Yu xian were amalgamated in 1959. The data is for that area in 1957.
- (b) Including 268,392 mou of fishponds.
- (c) Dao-tian.
- (d) Including 120,000 mou of fishponds.
- (e) Data is simply for 'area', without specifying whether arable or sown.
- (f) Late paddy only.
- (g) For all grain crops.
- (h) 'Area' of late grain crop.

TABLE 2: Population in different xians in Guangdong

Area	Year	Total persons	of which: (a) agricultural	Total households
<u>Central District</u>				
<u>Pearl River Delta</u>				
Bao An xian (1)	1928-31	203,715		
(1)	1934	171,568		
(1)	1948	174,150		
(1)	1958	194,620	183,628(b)	
Dong Guan xian (1)	1928-31	1,267,970		
(1)	1934	881,938		
(1)	1948	662,950		
(1)	1958	842,588	710,846(b)	
Fan Shun xian (1)	1958	1,299,984	1,161,751(b)	
Nan Hai xian (1)	1928-31	1,010,817		
(1)	1934	973,221		
(1)	1948	647,020		
(1)	1958	803,020	757,632(b)	
Tai Shan xian (2)	1957(?)	680,000		
Xin Hui xian (1)(c)	1928-31	851,162		
(1)(c)	1934	705,238		
(1)(c)	1948	629,050		
(3)	Pre-Lib.	516,000		
(4)	1953		500,000	
(3)	1956	595,578		
(2)	1957(?)	600,000	530,000	160,000(d)
(1)	1958	612,734	563,660	
Zhong Shan xian(1)	1928-31	824,000		
(1)	1934	913,590		
(1)	1948	750,126		
(2)	1957(?)		800,000	180,000(e)
(1)	1958	1,020,721	845,144	
<u>Central District</u>				
<u>Non-Pearl River Delta</u>				
De Qing xian (5)	1957			47,900(e)
Gao Yao xian (6)	1955		504,693(f)	
(6)	1956		516,648(f)	
Guang Ning xian (7)	1952	230,000		
(7)	1957	280,000		
Xin Xing xian (8)	1956			65,547(e) (f)
Xu Wen xian (9)	1952		161,440	
(9)	1955		172,271	
(9)	1956		180,000	

.../Cont'd.

TABLE 2: (Cont'd)

Area	Year	Total persons	of which: ^(a) agricultural	Total households
<u>Northern District</u>				
Lian Nan (Yao minority people's autonomous) xian	(10) Pre-Guomin-dang	110,000		
	(10) 1953	23,679		
	(10) 1954	24,812		
	(10) 1955	25,563		
	(10) 1956	29,099		
Lian Shan xian	(11) 1956		43,921(f)	
	(11) 1957		46,726(f)	
Luo Chang xian	(12) 1956			35,000(e)
Qu Jiang xian	(13) 1956			42,154(e) (f)
Xin Feng xian	(14) 1956	122,000		
<u>Eastern District</u>				
Jiao Ling xian	(15) 1956	110,000		
Mei xian	(2) 1957(?)	460,000		
<u>Hainan Island</u>				
Bao Ting xian	(16) 1956		66,772(f)	
Wan Ning xian	(17) 1957			40,384(f)

- Sources: (1) Zhong Gong-fu and Li Ci-min, Pearl River Delta.
 (2) Hong Kong Economic Reporter, Guangdong Travel Handbook.
 (3) 'If the rightist party do not surrender, then the Xin Hui people will definitely not end the matter', NFRB, 14th Aug. 1957.
 (4) 'Xin Hui xian this year ...'
 (5) Wu Yang-an, 'The victory of co-operativisation ...'
 (6) 'We definitely do not allow the bankrupt slanders of the rightist party elements', NFRB, 14th Aug. 1957.
 (7) Guo Yong, 'The facts of Guang Ning xian ...'
 (8) Mou Ke, 'The output and living standards of the peasants in Xin Xing xian', NFRB, 16th Aug. 1957.
 (9) 'Are things completely messed up?', NFRB, 20th Aug. 1957.
 (10) 'What does the transformation of the population of Lian Nan (Yao minority people's autonomous) xian prove?' NFRB, 8th Aug. 1957.
 (11) 'The average value of output is 113 yuan', NFRB, 23th Nov. 1957.
 (12) 'In Luo Chang xian already each peasant household raises an average of one pig', NFRB, 17th Sep. 1956.

.../Cont'd.

TABLE 2: (Cont'd)

Sources:

- (13) 'We must defend ...'
- (14) 'Xin Feng xian fixes a new policy ...'
- (15) 'Training and transforming oneself ...'
- (16) 'Bao Ting xian peasant living standards steadily improve', NFRB, 17th Aug. 1957.
- (17) 'Wan Ning xian overfulfills the target for raising pigs', NFRB, 5th Dec. 1956.

Notes:

- (a) 'Agricultural population' (nong-ye ren-kou) and 'peasant population' (nong-min) are used inter-changably. Both are to be distinguished from 'rural population' (xiang-cun ren-kou) which embraces a broader group of people. 'Agriculture' consists of three major activities - crop-growing, animal-raising, and subsidiary work.
- (b) Rural.
- (c) Xin Hui xian before Liberation included Jiang Men municipality in the data on population from Zhong Gong-fu and Li Ci-min, Pearl River Delta.
- (d) Of which, agricultural households = 140,000.
- (e) Agricultural households only.
- (f) Derived.

TABLE 3: Arable area per peasant (agricultural) household, per peasant, and per labour power (a)
in Guangdong (Unit: mou)

Area	Year	Arable area per			Paddy field per			Dry field per		
		of which			of which			of which		
		(i) house- hold	(ii) peasant	(iii) labour power	(i) house- hold	(ii) peasant	(iii) labour power	(i) house- hold	(ii) peasant	(iii) labour power
All-Guangdong (1)	1953		1.82							
(2)	1956					1.4			0.4	
<u>Central District,</u>										
<u>Pearl River Delta</u>										
Bao An xian	1957-8		2.47			2.01			0.5	
Dong Guan xian	1957-8		1.41			1.70			0.5	
Fan Shun xian	1957-8		0.86			0.58			0.28	
Nan Hai xian	1957-8		1.80			1.41			0.38	
Xin Hui xian	1957-8		1.74			1.55			0.19	
Xin Hui xian, Long Pang xiang, No.1 apc (4)	1955	4.9	1.4	2.6						
Xin Hui xian, Na Da xiang, No.1 apc (4)	1955				19.1	n.a.	7.6			
Zhong Shan xian (3) (b)	1957-8		2.38			2.18			0.20	
Zhong Shan xian, Zhang Jia Bian xiang, Fu Li apc(4)	1955	8.1								
Zhong Shan xian, Qun Zhong apc (5)	1956	13.7	3.1	7.1						
Zhong Shan xian, Min Zhu apc (5)	1956	15.0	3.4							
Zhong Shan xian, Xi Jie apc (5)	1956	15.0	3.2							
Zhu Hai xian, Wan Qing Sha qu, Qun Jie Sheng apc(4) (d)	1955	14.5		6.3						

TABLE 3: (Cont'd)

Area	Year	of which:					
		Arable area per			Paddy field per		
		(i) house- hold	(ii) peasant	(iii) labour power	(i) house- hold	(ii) peasant	(iii) labour power
Guangzhou municipality, Yang Qi xiang, No.1 apc							
(4)	1954	2.1	0.7	1.6			
(4)	1955	1.6			0.8		0.8
Central District, Non-Pearl River Delta							
Po Luo xian (6)							
	1956	16.2		8.1	11.8		5.9
Guang Ning xian, Jiang Bu xiang, Hong Xing apc (4)							
	1955	2.7	0.7	1.4			
Tai Shan xian, Nan Qiao apc (4)							
	1955	5.9		2.4			
Zeng Cheng xian, San Lian apc (7)							
	1957(?)				9.7 (e) (f)		
Eastern District							
Chao An xian, Xia Zhuang xiang, No.1 apc (4)							
	1956	4.0/ 4.3	0.9/ 1.0	2.2/ 2.3	2.7	0.6	1.5
Chao An xian, Chen Qiao xiang apc (4)							
	1955	3.3	(d)	(d)			
Chao Yang xian, Guan Fu xiang, No.1 apc (4)							
	1954	3.7					
Hui lai xian, lan ling xiang, No.1 apc (4)							
	1955	3.0					

TABLE 3: (Cont'd)

Area	Year	Arable area per			Paddy field per			Dry field per			of which:
		(i) house- hold	(ii) peasant	(iii) labour power	(i) house- hold	(ii) peasant	(iii) labour power	(i) house- hold	(ii) peasant	(iii) labour power	
Hui Lai xian, Qi Long xiang, No.1 apc (4)	1956		2.6			1.4			1.2		
Jie Yang xian, Mei Yun xiang, Yun Guang apc (4)	1955	3.0			2.7						
Hui Yang xian, Lian Jing qu, Zeng Guang apc (4)	1955	6.9	2.4			0.7		4.8	1.7		
Hui Yang xian (8)	1958(?)			10	2.0						
Mei xian, Yu Bai xiang, Xi Ao cun, No.1 apc (4)	1955				5.1						
<u>Western District</u>											
Dian Bai xian, Da Pi xiang, No.1 apc (4)	1955	6.0	1.5		4.8	1.2		1.1	0.3		
Hai Kang xian, Mei Tian xiang (4)	1954	6.4									
Mao Ming xian, Long Shou xiang, No.1 apc (4)	1955	10.0		4.9	3.0		1.5	7.0		3.4	
Pu Bei xian, Fu Wang qu, Feng Shan apc (4)	1955	6.2		2.8	5.5		2.5	0.6		0.3	
Xu Wen xian (9)	1955		3.4		2.2				1.2		
<u>Northern District</u>											
Cong Hua xian, Zhong Lian xiang, Guo Xing apc (4)	1955	8.6		3.8	8.1		3.6	0.5		0.2	
Lian Shan xian (10)	1956						6.2				
Qing Yuan xian:											
i) Shi Ban apc (11)	1956	14.5	3.1	11.6	10.9	2.3	8.7	3.6	0.8	2.9	
ii) Tai Yang Sheng apc (11)	1956	15.7	3.7	11.4	11.7	2.7	8.5	4.0	0.9	2.9	

TABLE 3: (Cont'd)

Area	Year	Arable area per			Paddy field per			Dry field per		
		(i)	(ii)	(iii)	(i)	(ii)	(iii)	(i)	(ii)	(iii)
		house- hold	peasant	labour power	house- hold	peasant	labour power	house- hold	peasant	labour power
of which:										
iii) Nan Xing apc (11)	1956	5.9	1.6	3.6	4.5	1.2	2.8	1.4	0.4	0.9
iv) Yuan Tan qu, Tuan Jie apc(11)	1956	11.6	2.4	5.9	8.4	1.8	4.3	3.2	0.7	1.6
v) Yuan Tan qu, Xing Lian apc (11)	1956	6.4	1.7	3.1	6.0	1.6	3.0	0.3	0.1	0.2
vi) Yuan Tan qu, Jing Xing apc (11)	1956	9.7	2.5	4.6	4.2	1.1	2.0	5.5	1.4	2.6
Qu Jiang xian:										
i) Ma Ba qu, Ma Ju apc(11)	1956	8.8	2.0	5.0	7.6	1.7	4.3	1.2	0.3	0.7
ii) Ma Ba qu, Shi Bao Yi apc (11)	1956	12.4	2.6	4.7	10.7	2.3	4.1	1.7	0.4	0.6
iii) Ma Ba qu, Xiao Keng Yi apc (11)	1956	5.6	2.3	5.3	3.4	1.4	3.2	2.2	0.9	2.1
iv) Yang Gang apc (4)	1955	8.8	2.2	3.3	8.0	2.0	3.0	0.8	0.2	0.3
Ren Hua xian (12)	1956			11.0						
Shao Guan municipality suburbs:										
i) Xi Xiang apc (11)	1956	6.7	1.6	3.9	3.9	1.0	2.3	2.8	0.7	1.6
ii) Nan Xiang apc (11)	1956	11.3	2.3	6.8	8.4	1.7	5.0	2.9	0.6	1.7
iii) Dong Lian apc (11)	1956	15.0	3.2	10.0						
iv) Bei Xiang apc (11)	1956	6.6	1.7							
Xin Feng xian (13)	1956		1.8							
(e)										
Ying De xian, Heng Shi Tan qu, Gong Geng apc (4)	1955	5.6	3.2		4.9	2.8		0.8	0.4	

TABLE 3: (Cont'd)

of which:										
Area	Year	Arable area per			Paddy field per			Dry field per		
		(i)	(ii)	(iii)	(i)	(ii)	(iii)	(i)	(ii)	(iii)
		house- hold	peasant	labour power	house- hold	peasant	labour power	house- hold	peasant	labour power
<u>Hainan Island</u>										
Hainan Island (14)	1956		2.4							
Bao Ting xian, Tong Shen qu, Fan Mao apc (4)	1955	8.5	2.0	3.1	4.5	1.0	1.6	3.2	0.9	1.4
Cheng Mai xian, Zhong Zhai apc (4)	1954	3.8	1.4	2.8						
Li-Miao autonomous zhou (15)	1956		4.5							
Qiong-Shan xian, No.1 qu, Hong Qi apc (4)	1955	22.6	6.3							

Sources: (1) Liang Ren-cai, Economic Geography of Guangdong, p.21 and p.23.

(2) *ibid.*, p.24.

(3) Zhong Gong-fu and Li Ci-min, Pearl River Delta.

(4) Guangdong CCP Committee Office, Forty agricultural producers co-operatives in Guangdong (Guangdong si-shi-ge nong-ye he-zuo-she), Guangzhou: Guangdong People's Publishing House, 1956.

(5) Wei Shuang-feng, 'A survey of the living standards of the peasants in Zhong Shan xian', 10-11th July 1957.

(6) 'The first year of co-operativisation in Po Luo xian'.

(7) 'The new face of co-operativisation', NFRB, 11th Aug. 1957.

(8) Liang Ren-cai, et al., Economic Geography of South China, p.154.

(9) Agricultural population: 'Are things completely messed up?'

(10) Arable area and area of paddy field: 'On the question of Xu Wen xian's agricultural development ...'

(11) 'The two-nineties objective is surpassed', NFRB, 18th Feb. 1957.

Peng Xiao-fan, 'One cannot speak nonsense, saying that the peasants' living standards have not improved', NFRB, 25th June 1957.

TABLE 3: (Cont'd)

Sources: ...

- (12) 'The experience of success ...'
- (13) 'Xin Feng xian fixes a new policy ...'
- (14) Arable area: 'A rich harvest on Hainan Island ...'
- (15) Peasant population derived from: Ma Xiong, 'A factual record of Hainan', JJDB, 2nd Sept. 1957.
Chen Si-de, 'Last year grain production rose by 40 per cent and peasant income by 30 per cent',
NFRB, 4th Jan. 1957.

- Notes:
- (a) When half labour-power figures have been available they have been converted to 'full' units by dividing by two.
 - (b) Arable area, paddy field, and dry field figures for 1957, population figures for 1958.
 - (c) Population figures are for 'rural', not 'agricultural/peasant' sector.
 - (d) Including fishponds.
 - (e) Whole population.
 - (f) Data is for pre-liberation, but the article implies that there has been no change since then.

TABLE 4: Number of pigs per agricultural household in Guangdong
(15th May 1958)

Area	No.	Area	No.
<u>Central District</u>		<u>Eastern District</u>	
Gao Ming xian	3.48	Nan Ao xian	3.18
Shi Qi municipality	2.81	Chao Zhou municipality	3.07
Jiang Men municipality	2.78	Cheng Hai xian	2.54
Zeng Cheng xian	2.47	Rao Ping xian	2.33
Zhong Shan xian	2.34	Chao An xian	2.28
Po Luo xian	2.18	Pu Ning xian	2.22
Xin Hui xian	2.04	Lu Feng xian	2.20
Dong Guan xian	1.71	Hai Feng xian	2.08
He Shan xian	1.57	Feng Shun xian	1.72
Bao An xian	1.55	Zi Jin xian	1.64
Fan Yu xian	1.53	Huai Lai xian	1.58
Xin Xing xian	1.53	Hui Zhou municipality	1.52
Tai Shan xian	1.47	Chao Yang xian	1.49
Zhu Hai xian	1.43	Wu Hua xian	1.40
Shun De xian	1.39	Hui Yang xian	1.40
Fo Shan municipality	1.36	Jie Yang xian	1.35
Si Hui xian	1.33	Hui Dong xian	1.18
Gao Yao xian	1.31	Shan Tou municipality	1.18
Yun Fou xian	1.30	Mei xian	1.09
Kai Ping xian	1.16	Jiao Ling xian	1.09
Guang Ning xian	1.12	He Yuan xian	1.08
Nan Hai xian	1.07	Xin Ning xian	1.07
San Shui xian	1.06	Da Bu xian	0.93
Yu Nan xian	1.01	Feng Chuan xian	0.70
Huai Ji xian	1.00		
Kai Jian xian	1.00	Mean	1.68
De Qing xian	0.94		
Luo Ding xian	0.93		
Mean	1.60		

.../Cont'd

TABLE 4: (Cont'd)

<u>Area</u>	<u>No.</u>	<u>Area</u>	<u>No.</u>
<u>Northern District</u>		<u>Western District</u>	
Dong Chang xian	3.77	Xu Wen xian	2.91
Ru Yuan xian	3.66	Yang Jiang xian	2.51
Lian Shan xian	2.20	Bei Hai municipality	2.36
Shao Bian xian	1.83	En Ping xian	2.14
Weng Yuan xian	1.70	Hai Kang xian	1.91
Shi Xing xian	1.68	Zhan Jiang municipality	1.89
Hua xian	1.56	Lei Dong xian	1.83
Lian xian	1.54	Dong Xing xian	1.74
Xin Feng xian	1.51	Fang Cheng xian	1.69
Qu Jiang xian	1.40	Yang Qun xian	1.63
Nan Xiong xian	1.40	Lian Jiang xian	1.60
Ying De xian	1.34	Pu Bei xian	1.60
Lian Ping xian	1.33	Sui Xi xian	1.58
Shao Guan municipality	1.31	He Pu xian	1.55
Ren Hua xian	1.30	Ling Shan xian	1.43
Lian Nan xian	1.24	Xin Yi xian	1.37
Cong Hua xian	1.23	Mao Ming xian	1.37
Qing Yuan xian	1.19	Qin Bei xian	1.34
Yang Shan xian	1.12	Wu Quan xian	1.33
Hua xian	1.09	Dian Bai xian	1.31
He Ping xian	1.08	Long Men xian	1.29
Long Chuan xian	1.03	Qin xian	1.28
Fo Gang xian	0.83	Ping Yuan xian	1.19
Mean	1.58	Mean	1.69

.../Cont'd

TABLE 4: (Cont'd)

Area	No.
<u>Hainan Island</u>	
Tun Chang xian	4.44
Lin Gao xian	2.64
Na Da xian	2.60
Bao Ting xian	2.46
Ling Shui xian	2.43
Ding An xian	2.29
Bai Sha xian	2.22
Qiong Shan xian	2.20 (a)
Wen Cheng xian	2.15
Wan Ning xian	1.98
Qiong Dong xian	1.97
Qiong Shan xian	1.86 (a)
Lo Dong xian	1.72
Dong Fang xian	1.68
Cheng Bian xian	1.66
Chang Huo xian	1.63
Dan xian	1.57
Yan xian	1.56
Lo Hui xian	1.20
Hai Kou municipality	1.14
Mean	2.07

Source: 'Comparative statistics on pig-rearing ...'

Notes: (a) One of these is presumably Qiong Dong xian.

TABLE 5: Grain output (whole year) per mou in Guangdong (Unit: Jin)

Area	Year	Grain (liang-shi)	of which:- Rice (dao-gu)
All Guangdong	1956	480	-
<u>Central District</u>			
Nan Hai xian	1956-7	n.a.	374 (1)(2)(a)
Po Luo xian	1952	n.a.	148.4 (3)
	1956	> 290 (3)(b)	n.a.
Xin Hui xian	Pre-Lib.	n.a.	330(4) - 350(5)
	1950	n.a.	330(6)
	1952	n.a.	420(6) - 430 (+)(5)
	1953	n.a.	510(+)(5)
	1955	n.a.	620(6)
	1956	n.a.	660(6)
	1957	n.a.	670(4)
Zhong Shan xian	1949	n.a.	420(7)
	1954	n.a.	500(7)
	1955	n.a.	530(8) - 522(7)
	1956	n.a.	578(7) - 583(8)
Cong Hua xian (LAPC)(25)	1954	336	-
	1955	521	-
<u>Eastern District</u>			
Chao An xian	1949	512(9) - 611(10)	577(11)
	1950	n.a.	587(12)
	1952	655(9) - 812(10)	n.a.
	1953	n.a.	818(11)
	1954	n.a.	952(11)
	1955	1064(13) - 1077(8)	1021(11) - 1043(10)
	1956	1157(9)	1000(12)
	1957	1207(9)(13)	n.a.

Area.....

Year.....

Grain (liang-shi)...

Rice (dao-gu).....

Chao Yang xian

1956

1000(14)

908(14)

Cheng Hai xian

1949

523(15)

n.a.

1950

n.a.

680(15)

1951

n.a.

788(16)

1952

729(15)(13)

934(16)

1955

1009(10) - 1086(14)

989(10) - 1088(15)

1956

1096(14) - 1106(15)

n.a.

1957

1259(15)(13)

1259(15)

Jie Yang xian

1956

1020(14)

916(14)

Pu Ning xian

1956

1000(14)

910(14)

Rao Ping xian

1950

n.a.

580(17)

1955

n.a.

708(17)

1956

959(17)

838(17)

Northern District

Lian Ping xian

1956

> 563(18)(c)

n.a.

Lian Shan xian

1952

n.a.

230(19)

1956

n.a.

388(19)(20)(d)

Xin Feng xian

1949

n.a.

164(21)

1953

n.a.

215(21)

1955

n.a.

252(21)

1956

n.a.

313(21)

Western District

Mao Ming xian(25)

1955

140(f)

-

Zhan Jiang S.D.

1956

n.a.

200(22)

Xu Wen xian

1954

> 203(23)(e)

206(23)(e)

1955

> 171(23)(e)

164(23)(e)

422(max.)(25)

Hai Kang xian

1954

n.a.

170(25)

(1 xiang)(25)

1954

n.a.

170(25)

Area.....	Year....	Grain (liang-shi)...	of which:- Rice (dao-gu).....
<u>Hainan Island</u>			
Li-Miao autonomous zhou	1956	177(24)	n.a.
Cheng Mai xian (LAPC)(25)	1954	260(approx)	

Sources:

- (1) 'Nan Hai xian increases grain output this year by over 400 million jin', NFRB, 10th Dec. 1956.
- (2) Zhong Gong-fu and Li Ci-min, Pearl River Delta
- (3) 'Po Luo xian grain output has already exceeded next year's target', NFRB, 20th Dec. 1956.
- (4) Hong Kong Economic Reporter, Guangdong Travel Handbook.
- (5) 'Xin Hui xian this year ...'
- (6) Dan Xiang-min, 'The production situation of Xin Hui xian after co-operativisation', NFRB, 4th Feb. 1957.
- (7) Wei Shuang-feng, 'A survey of the living standards ...'
- (8) 'Zhong Shan xian again increases rice output ...'
- (9) 'One thousand-jin xian, Chao An ...'
- (10) 'The way in which Chao An xian ...'
- (11) 'The first 1000-jin xian ...'
- (12) 'Water disaster transformed into irrigation; grain-short xian transformed into 1000-jin xian', NFRB, 15th Aug. 1957.
- (13) Editorial, 'Advance towards the target of a 1000-jin province', NFRB, 1st Jan. 1958.

Sources: ...

- (14) 'Chao Shan Plain ...'
- (15) 'Cheng Hai xian grain output ...'
- (16) 'Cheng Hai xian unprecedented rich grain harvest', NFRB, 25th Dec. 1952.
- (17) 'The APCs are really great', NFRB, 16th Aug. 1957.
- (18) Grain output: 'Lian Ping xian's grain output this year surpasses the target for the First Five Year Plan', NFRB, 15th Dec. 1956.
Arable area: 'The reason for the change in the appearance of Lian Ping xian's villages'.
- (19) 'The two-nineties objective is surpassed'.
- (20) 'Lian Shan xian grain output ...'
- (21) 'Do not allow ...'
- (22) 'Carry out in accordance with the facts ...'
- (23) Grain and rice output: 'Are things completely messed up?'
Arable area and area of paddy field: 'On the question of Xu Wen xian's agricultural development ...'
- (24) Chen Si-de, 'Last year ...'
- (25) Forty APCs in Guangdong.

Notes:

- (a) Derived: Paddy rice area in 1957 = 1.072 million mou;
rice (dao-gu) output in 1956 = 401.3 million jin.
- (b) Derived: Arable area = 1.135 million mou;
grain output = 38.2 million jin.
- (c) Derived: Arable area = 234,700 mou;
grain output 132.4 million jin
- (d) Derived: Area of paddy field = 120,000 mou;
output of rice = 46.5 million jin.
- (e) Derived: Arable area (m.mou) 0.534
Paddy field (m.mou) 0.362
Grain output (m.jin) 108.6
Rice output (m.jin) 74.5
- (f) Output per mou of No.1 APC Long Shan xiang at 199 jin was said to be 42% above that of the surrounding independent farmers.

1954

1955

TABLE 6: State purchase price for agricultural commodities
(Unit: yuan per jin)

Item	Location	Year	Price
Sweet potatoes (1)	Gao Yao xian	1956	0.02
Gan-mu ci-pian (2)	Dong Guan, Yu Nan, Chao Yang, Feng Shun, Dian Bai, Yang Shan, Xu Wen, Cheng Wan, Jie Yang, He Pu, Dian xians	1956	0.059 - 0.068(a)
Rice (dao-gu) (1)	Gao Yao xian	1956	0.075
Oranges (3)	Chao Yang xian, Pu Ning xian	1956	0.12
Peanuts (1)	Gao Yao xian	1956	0.16
Black Beans (2) (hei-dou)	Fan Yu, Hui Lai, Lu Feng, Yang Shan, He Pu, and Lo Dong xians	1956	0.160 - 0.193(a)
Granulated sugar (4) (pian-tang)	Shun De xian	1957	0.163
Soyabeans (4)	Fan Yu xian	1957	0.175
Mung beans (2) (lu-dou)	Fan Yu, Hui Lai, Lu feng, Nan Xiong, Luo Ding, Dian Bai, Pu Bei, Dan xians	1956	0.174 - 0.215(a)
Red beans (hong-dou) and Mei beans (mei-dou) (2)	Fan Yu, Yang Shan, Dian Bai, He Shan, Dong Guan, Nan Xiong xians.	1956	0.177 - 0.192(a)
Mushrooms (4)	Nan Xiong xian	1957	0.448
Mao-tong oil (2)	Yang Shan, Xing Ning, Ping Yuan, Ling Shan, He Ping, Lian xians	1956	0.45 - 0.50(a)
Chicken (5)	Kai Ping, Yang Jiang, Qing Yuan, Ying De xians, and Shan Tou municipality	1956	0.60 - 0.74

- Sources:
- (1) Tao Zhu, 'We must certainly carry out well construction work in Guangdong', NFRB, 30th Aug. 1956.
 - (2) 'Guangdong province again increases the purchase price for a portion of agricultural and sideline produce', NFRB, 2nd Oct. 1956.
 - (3) Wei Jin-fei, 'Steadily investigate and resolve the question of agricultural and sideline commodity prices', NFRB, 19th May 1957.
 - (4) Xie Nan-shi, 'The way to treat the purchase and supply price differential ...'
 - (5) 'The purchase price of five kinds ...'

Notes: (a) New prices effective from 4th Oct. 1956.

TABLE 7: Relative price of agricultural commodities in Guangdong
(Unit: jin)

Item	Amount of rice (da-mi) for which 100 jin of the following items could be exchanged:			
	1930-36 (Average relative price over 7 years)(1)	1950-55 (Average relative price over 7 years)(1)	1956 ⁽¹⁾	1957 ⁽²⁾
Peanuts	118.91	138.02	140.82	157.73
Sugar cane	9.70	10.27	9.46	10.11
Jute	141.46	161.83	154.31	n.a.
Tobacco leaf	347.08	373.83	351.40	n.a.
Water plants	54.39	81.60	71.43	n.a.
Oranges	130.75	173.48	141.00	n.a.
Live pig (sheng-zhu)	371.82	367.88	379.64	n.a.

Source: (1) Wei Jin-fei, 'Steadily investigate ...'

(2) Xie Nan-shi, 'The way to treat the purchase and
supply price differential ...'

TABLE 8: Income per mou from growing different agricultural commodities in Guangdong

Item	Area	Year	Yuan
Rice (two crops) (1)	Kai Ping xian	1956	<70(a)
Rice (2)	Xin Hui xian, Jiu Zi Sha xiang	1960	30(+) (a)
Rice (two crops) (3)	Gao Yao xian	1956	30(b)
Sweet potatoes (one crop, winter) (3)	Gao Yao xian	1956	10(b)
Sweet potatoes (3) (multiple-cropped?)	Gao Yao xian	1956	30(b)
Sugar cane (4)	Cheng Hai xian, Zhong Shan apc	1955	35(c)
Sugar cane (2)	Xin Hui xian, Jiu Zi Sha xiang	1960	80(+) (a)
Peanuts (4)	Cheng Hai xian, Zhong Zhai apc	1955	8.6(c)
Peanuts (3)	Gao Yao xian	1956	24(b)
Melon (gua-cai) (2)	Xin Hui xian, Jiu Zi Sha xiang	1960	100(+) (a)
Melon (gua-cai) (5) (whole year)	Nan Hai xian, Ping Zhou qu, Hai Zhong xiang, Hong Qi apc	1956	330(b) (d)
Chinese mushrooms (5)	Nan Hai xian, Ping Zhou qu, Hai Zhong xiang, Hong Qi apc	1956	1400(b) (d)
Water chestnut (5)	Nan Hai xian, Ping Zhou qu, Hai Zhong xiang, Hong Qi apc	1956	280(b) (d)
Winter garlic (1)	Kai Ping xian	1956	70(a)
Oranges (2)	Xin Hui xian, Jiu Zi Sha xiang	1960	>100(a)
Oranges (6)	Chao Yang xian:		
	i) Dong Ming apc	1956	109.33(a)
	ii) Xing Hui apc	1956	94.39(a)
	Pu Ning xian	1956	81.74(a)

- Sources: (1) 'Strengthen leadership in carrying out well agricultural and sideline production', NFRB, 3rd Sep. 1956.
- (2) 'The way in which to ensure that the agricultural co-operatives increase production and increase co-op members' income', NFRB, 15th Sep. 1956.
- (3) Tao Zhu, 'We must certainly carry out well ...'
- (4) Guangdong CCP, 'Forty agricultural producer co-operatives ...'
- (5) 'A model for the consolidation of apc's', NFRB, 21st Dec. 1956.
- (6) Wei Jin-fei, 'Steadily investigate ...'

- Notes: (a) Net income.
- (b) Gross income.
- (c) Unspecified.
- (d) These figures seem very high, even for gross income; however, the source in which they are cited notes that "the net income for one mou of economic crops is equal to the net income from 5-10 mou of 1000-jin paddy rice".

TABLE 9: Grain output in different s.d.'s in Guangdong
(Unit: million jin)

Area	Year	Total grain (liang-shi)	of which: Rice (dao-gu)	Compound annual growth rate (%)
Fo Shan s.d.	1952	3688 (1)	3460 (2)	Grain, 1952-56 = 3.8 Rice, 1952-56 = 2.3
	1953	3864 (1)	n.a.	
	1954	4092 (1)	n.a.	
	1955	4153 (1)	n.a.	
	1956	4283 (1)	3800 (2)	
Hainan Island	1936	1077 (3)	n.a.	Grain, 1952-56 = 7.6 - 11.2
	1949	810 (9)	n.a.	
	1952	1199 (3) -	n.a.	
		1282 (4)		
	1954	1343 (3)	n.a.	
	1955	1335 (3) (4)	n.a.	
	1956	1723 (3) -	n.a.	
		1831 (4)		
He Pu s.d.	1938	n.a.	444 (5)	Grain, 1949(?) -56 = 13.4
	1947	n.a.	595 (5)	
	Pre-Lib.	800 (5)	n.a.	
	1955	1184 (5)	n.a.	
	1956	1325	n.a.	
Hui Yang s.d.	1936	n.a.	2328 (6)	Rice, 1952-56 = 5.7
	1952	n.a.	2476 (6)	
	1953	n.a.	2607 (6) (a)	
	1954	n.a.	2758 (6) (a)	
	1955	n.a.	2929 (6) (a)	
	1956	n.a.	3093 (6)	
Shao Guan s.d.	1950	n.a.	1276 (7)	Rice, 1950-56 = 6.8
	1955	2153 (7)	1867 (7)	
	1956	2202 (7)	1897 (7)	
Zhan Jiang s.d.	1956	3970 (8)	2683 (8)	
Gao Yao s.d.	}	n.a.	n.a.	
Shan Tou s.d.				

- Sources: (1) Zheng Shao-tang, 'The people of the Pearl River Delta ...'
 (2) 'Questions concerning the development of agricultural production in Fo Shan s.d.', NFRB, 13th Oct. 1956.
 (3) Ying Xiong, 'Yun Ying-lin must bow his head before the iron facts', NFRB, 12th Aug. 1957.
 (4) 'The people of Hainan don't permit the slanderous rumours of rightist element Yun Ying-lin', NFRB, 7th Aug. 1957.
 (5) 'The people of He Pu s.d. ardently love their new livelihoods', NFRB, 10th Aug. 1957.
 (6) Yang Jun, 'The living standards of the peasants in Hui Yang s.d. are steadily improving', NFRB, 18th Aug. 1957.
 (7) Liu Ming-yuan, 'The superiority of the co-operative system ...'
 (8) 'Carry out in accordance with the facts ...'
 (9) 'Hainan grain output leaps forward', NFRB, 2nd Oct. 1959.
- Notes: (a) Derived from 1956 figure.

TABLE 10: Output of grain in different xians in Guangdong
(Unit: million jin)

Area	Year	Grain (liang-shi)	of which: Rice (dao-gu)	Compound annual growth rate (%)
<u>Central District</u>				
Gao Yao xian (1)	1949	161.5	n.a.	} Grain, 1953-56 = 1.7 - 2.5
	1953	354.2-363.2	n.a.	
	1955	318.9	n.a.	
	1956	382.0	n.a.	
Nan Hai xian (2)	1955	n.a.	353.4	
	1956	n.a.	401.3	
Po Luo xian (3)	1952	217.0	n.a.	} Grain, 1952-56 = 10.9
	1956	328.2	n.a.	
Tai Shan xian (4)	1957	400	n.a.	
Xin Hui xian	1949	311 (5) (a)	n.a.	} Grain, 1952-56 = 10.7 Rice, 1952-56 = 7.4
	1952	414 (5) (a)	405 (6) (a)	
	1953	n.a.	485 (6)	
	1955	n.a.	529 (6) (b)	
	1956	621.6 (5)	579 (6) (b)	
	1957	n.a.	536 (4)	
Xin Xing xian	1952	149.9 (7)	n.a.	} Grain = 9.6
	1956	216.7 (7)	n.a.	
Zhong Shan xian	1952	n.a.	660(approx) (8)	} Rice, 1952-56 = 6.7
	1953	n.a.	660 (4)	
	1955	n.a.	800(8)-808(9)	
	1956	n.a.	856.5 (9)	
	1957	n.a.	850 (4)	
<u>Eastern District</u>				
Chao An xian (10)	1957	421	n.a.	} Grain, 1952-57 = 7.2
Cheng Hai xian (11)	1950	n.a.	120	
	1952	224	n.a.	
	1957	317	241	
Hai Feng xian (12)	1952	234.7	n.a.	} Grain, 1952-56 = 8.0
	1954	310.1	n.a.	
	1956	320.4	n.a.	
Hui Yang xian (13)	1955	548	n.a.	
	1956	594	n.a.	
Jiao Ling xian(14)	1952	n.a.	58.2	} Rice, 1952-56 = 3.3
	1956	n.a.	66.2	
Jie Yang xian (15)	1955	782	n.a.	} Grain, 1949-56 = 8.7
	1956	811	n.a.	
Lu Feng xian (16)	1949	201	n.a.	
	1955	306	n.a.	
	1956	360	n.a.	

TABLE 10: (Cont'd)

Area	Year	Grain (liang-shi)	of which: Rice (dao-gu)	Compound annual growth rate (%)
Mei xian (17)	1952	214.9	n.a.	} Grain, 1952-56 = 3.4
	1956	246.8	n.a.	
Xin Ning xian (4)	1957	304.7	n.a.	
<u>Western District</u>				
Fang Cheng xian(18)	1955	n.a.	88	
	1956	n.a.	130	
Hai Kang xian (19)	1952	225.3	n.a.	} Grain, 1952-56 = 11.8
	1956	352.2	n.a.	
Xu Wen xian (20)	1950	74.6	45.2	} Grain, 1952-56 = 11.1 Rice, 1952-56 = 6.7
	1951	91.2	51.7	
	1952	97.1	56.2	
	1953	107.3	64.8	
	1954	108.6	74.5	
	1955	99.0	61.8	
	1956	148.2	72.9	
<u>Northern District</u>				
Lian Nan xian (21)	1953	n.a.	20.0	} Rice, 1953-56 = 10.1
	1954	n.a.	23.6	
	1955	n.a.	25.2	
	1956	n.a.	26.7	
Lian Ping xian(22)	1952	82.3	67.6	} Grain, 1952-56 = 12.6 Rice, 1952-56 = 10.3
	1956	132.4	100	
Lian Shan xian	1952	n.a.	27 (23)	} Rice, 1952-56 = 13.6 - 14.7
	1955	n.a.	38.5 (23)	
	1956	48.1(24)	45 (25) (26) 46.5 (23)	
	1957	52.0(24)	n.a.	
Xin Feng xian(27)	1952	64.0 (b)	48.0	} Grain, 1952-56 = 12.5 Rice, 1952-56 = 19.4
	1953	69.0 (b)	66.0	
	1955	82.8 (b)	78.0	
	1956	102.8 (b)	97.7	
<u>Hainan Island</u>				
Bao Ting xian (28)	1956	63.5	n.a.	
Wan Ning xian (29)	1954	91.1	n.a.	
	1956	103.0	n.a.	

.../Cont'd

TABLE 10: (Cont'd)

- Sources:
- (1) 'We definitely do not allow ...'
 - (2) 'Nan Hai xian increases grain output ...'
 - (3) 'Po Luo xian grain output ...'
 - (4) Hong Kong Economic Reporter, Guangdong Travel Handbook.
 - (5) 'If the rightist party ...'
 - (6) 'Eighty-one per cent of co-ops increase production; ninety per cent of co-op members increase income', NFRB, 4th Feb. 1957.
 - (7) Mou Ke, 'The output and living standards ...'
 - (8) 'Zhong Shan xian already holds its first Party Congress'.
 - (9) 'Zhong Shan xian again increases rice output ...'
 - (10) 'One thousand jin xian, Chao An ...'
 - (11) 'Cheng Hai xian grain output ...'
 - (12) 'The great transformation of Hai Feng', NFRB, 14th Aug. 1957.
 - (13) 'Grain output in Hui Yang increases by over 40 million jin', NFRB, 26th Dec. 1956.
 - (14) 'Training and transforming oneself ...'
 - (15) 'Chao Shan Plain ...'
 - (16) 'Our future is limitlessly excellent', NFRB, 14th Aug. 1957.
 - (17) 'The living standards of the people of Mei xian are uninterruptedly rising', NFRB, 8th Aug. 1957.
 - (18) 'Fang Chang rice output ...'
 - (19) 'Unmask the crimes of rightist party element Wu Lin in Hai Kang', NFRB, 20th Aug. 1957.
 - (20) 'Are things completely messed-up?'
 - (21) 'What does the transformation ...'
 - (22) 'Lian Ping xian's grain output ...'
 - (23) 'The experience of success ...'
 - (24) 'The average value ...'
 - (25) 'Lian Shan xian grain output ...'
 - (26) 'The two nineties objective is surpassed'.
 - (27) 'Do not allow ...'
 - (28) 'Bao Ting peasant living standards ...'
 - (29) 'Overfulfillment of grain increases output'.

- Notes:
- (a) Derived from 1956 figure.
 - (b) Specifically excludes soyabeans.

TABLE 11: Total number of pigs in different parts of Guangdong (Unit: thousand)

Area	1950	1952	1953	1954	1955	1956	1957	1958
<u>Municipalities/s.d.'s</u>								
Hainan Island		614 (1)					849 (1)	1330 (2) (a)
Zhan Jiang s.d.								2343 (2) (a)
Hui Yang s.d.								1738 (2) (a)
Shan Tou s.d.								2297 (2) (a)
Fo Shan s.d.						710 (3) (b)	860 (3) (c)	1831 (2) (a)
Shao Guan s.d.						450 (4) (d)	509 (4) (e) -	1046 (2) (a)
							751 (4) (f)	
He Pu s.d.								707 (2) (a)
Guangzhou suburbs								136 (2) (a)
Gao Yao s.d.								863 (2) (a)
<u>xians</u>								
Chao An						120 (g) -		
						156 (h) (5)		
Dong Guan							319 (6)	518 (6)
He Pu						99.8 (i) -		
						148.4 (j) (7)		
						40 (8)		
						40.4 (9)		
Lo Chang			135 (10)		43 (10)			
Lian Ping					63.8 (11)	54.8 (11)		
Nan Hai					36.4 (12)	26.0 (12)		
Qing Yuan				31.2 (12)	22.3 (13)	42.0 (13)		
Shun De					117.0 (14)	114.0 (15)		
Wan Ning						130.0 (14)		
Xin Hui	75.0 (14)	110.0 (14)						

TABLE 11: (Cont'd)

Sources:

- (1) 'The people of Hainan ...'
- (2) 'Comparative statistics on pig-rearing ...'
- (3) Zheng Shao-tang, 'The people of the Pearl River Delta ...'
- (4) Liu Ming-yuan, 'The superiority of the co-operative system ...'
- (5) 'Magnificent rise in Chao An xian's sideline production, NFRB, 20th Oct. 1956.
- (6) Hong Kong Economic Reporter, Guangdong Travel Handbook.
- (7) 'He Pu xian winter sideline output develops rapidly', NFRB, 26th Dec. 1956.
- (8) 'In Luo Chang xian ...'
- (9) 'The livelihoods of the peasants in Lian Ping xian have been greatly transformed', NFRB, 18th Feb. 1957
- (10) 'Nan Hai xian all-roundedly develops output; peasant income increases', NFRB, 1st Sep. 1956.
- (11) 'Qing Yuan xian fixes next year's production targets ...'
- (12) 'From Shun De xian ...'
- (13) 'Wan Ning xian overfulfills the target ...'
- (14) 'Dan Xiang-min, 'The production situation ...'
- (15) 'Majority of co-op members increase income', NFRB, 18th Dec. 1956.
- (16) 'Eighty-one per cent of co-ops increase production ...'

Notes:

- (a) 15th May 1958.
- (b) End-1956.
- (c) End-May
- (d) January
- (e) January
- (f) End-June
- (g) First half-year
- (h) October
- (i) Early-year
- (j) November

TABLE 12: Gross value of agricultural output and level of purchasing power in different s.d.'s in Guangdong

Area	Year	(i) Gross value of agricultural (plus sideline) production million yuan	Value of agricultural (plus sideline) production per agricultural household yuan (a)	(ii) Total peasant purchasing power million yuan	Purchasing power per agricultural household yuan (b)
Hainan Island	1952	153.31 (1)		101.87 (1)	
	1956	211.91 (1)	330	173.53 (1)	270
Gao Yao s.d.	1955	218.76 (2)		n.a.	
	1956	244.36 (2)	330	n.a.	n.a.
Fo Shan s.d.	1955	n.a.		570.37 (3)	
	1956	n.a.	n.a.	641.73 (3)	610
	1957	n.a.		710.00 (3)	
He Pu s.d.	1955	n.a.		89.39 (4)	
	1956	n.a.	n.a.	104.59 (4)	220
All-Guangdong	1955	n.a.	n.a.	n.a.	232 (5)
	1956	n.a.	n.a.	n.a.	312 (5)
	1957	3726.1 (6)	490	n.a.	n.a.

Sources:

- (1) Ying Xiong, 'Yun Ying-lin must bow his head ...'
- (2) 'From poor to well-off: a mountainous area has changed its appearance', NFRB, 12th Aug. 1957.
- (3) Zheng Shao-tang, 'The people of the Pearl River Delta ...'
- (4) 'The people of He Pu s.d. ...'

(5) Per capita peasant purchasing power in 1955 = 68.3 yuan, in 1956 = 78.3 yuan (Source: 'Presenting the facts to prove that the people's living standard is basically stable', NFRB, 13th June 1957). Average family size of peasants in Guangdong in mid-1950s was four (Source: 'Is the difference between the living standards of the workers and peasants very great?', NFRB, 10th Oct. 1957.

(6) Liang Ren-cai, et al., Economic Geography of South China, p.63.

Notes:

- (a) Derived from column (i) and Table 4.1)
- (b) Derived from column(ii) and Table 4.1)

Data in Table 4.1 are for 1958 therefore these are only very rough figures, which have been rounded.

TABLE 13: Value of agricultural production and level of purchasing power in different xians in Guangdong

Area	Year	Gross value of agricultural (plus sideline) production million yuan	Total peasant purchasing power million yuan	Compound annual growth rate (%)
<u>Central District</u>				
<u>Pearl River Delta</u>				
Xin Hui xian (1)	1952	52.8	n.a.	} 1952-56 = 15.8
	1956	95.0	n.a.	
<u>West River area</u>				
Gao Yao xian (2)	1955	n.a.	37.852	
	1956	n.a.	44.418	
	1957	n.a.	51.36 (a)	
Huai Ji xian (3)	1952	28.75 (b)	n.a.	} 1952-56 = 7.4
	1954	36.37 (b)	n.a.	
	1956	38.42 (b)	n.a.	
Xin Xing xian (4)	1952	n.a.	8.508 (c)	} 1952-56 = 10.4
	1956	n.a.	12.649 (c)	
<u>Northern District</u>				
Nan Xiong xian (5)	1954	18.5	n.a.	
	1956	20.0	n.a.	
Lian Nan (Yao (6) minority people's autonomous) xian	1955	n.a.	3.143 (b)	
	1956	n.a.	4.390 (b)	
Xin Feng xian (7)	1952	n.a.	4.40	} 1952-56 = 9.2
	1953	n.a.	4.60	
	1954	n.a.	4.85	
	1955	n.a.	5.24	
	1956	n.a.	6.25	
Lian Shan xian (8)	1956	4.48 (b)	n.a.	
	1957	5.28 (b)	n.a.	
<u>Hainan Island</u>				
Bao Ting xian (9)	1955	n.a.	3.760 (d)	
	1956	n.a.	4.638 (d)	

Sources: (1) 'If the rightist party ...'
 (2) 'We definitely do not allow ...'
 (3) 'The mountainous region ...'
 (4) Mou Ke, 'The output and living standards ...'
 (5) 'The experience and lessons from Nan Xiong xian ...'

.../Cont'd

TABLE 13: (Cont'd)

Sources: ...

- (6) 'What does the transformation ...'
- (7) 'Do not allow ...'
- (8) 'The average value ...'
- (9) 'Bao Ting peasant living standards ...'

Notes: (a) First half-year multiplied by two.

(b) Including forestry.

(c) Whole population.

(d) Commodity retail sales.

TABLE 14: State grain tax (gong-liang) as a proportion of grain output and agricultural income in different parts of Guangdong (%)

Area	Year	jin	% of grain (liang-shi) output	% of gross agricultural income
Gao Yao xian, Yong An xiang, San Ba cun, No.2 apc (1)	1956	83,500 (a)	16.3	n.a.
Hai Kang xian (2)	1952	17.0 m	7.5	n.a.
	1956	17.0 m	4.8	n.a.
Lu Feng xian (3)	1953	n.a.	n.a.	8.45
	1954	n.a.	n.a.	7.91
	1955	n.a.	n.a.	7.56
	1956	n.a.	n.a.	6.37
Xin Feng xian (4) (b)	1952	8.70 m	13.61	n.a.
	1953	8.49 m	12.31	n.a.
	1955	8.861 m	10.71	n.a.
	1956	8.861 m	8.62	n.a.
Xin Hui xian (5)	1953	n.a.	n.a.	9.75
	1956	n.a.	n.a.	7.07
Xin Hui xian				
i) Jiu Zi Sha xiang (6) (c)	1955	1.6 m	22.2	n.a.
ii) Long Pang xiang, No.1 apc (6) (d)	1955	0.202 m	12.4	n.a.
Xu Wen xian (7)	1956	7.316 m(e)	6.2(e)	7.04
Zhong Shan xian (8)				
i) Qun Zhong apc (f)	1956	n.a.	n.a.	16.75(g)
ii) Min Zhu apc	1956	n.a.	n.a.	17.54(g)
iii) Xi Jie apc	1956	n.a.	n.a.	17.34(g)
Yang Jiang xian, Gang Lie apc (9)	1957	n.a.	15.2(h)	n.a.
Nan Hai xian, Si Dong APC	1957	n.a.	24.7	n.a.

- Sources: (1) 'Gao Yao xian has almost completed its summer grain levy task', NFRB, 9th Aug. 1957.
- (2) 'Unmask the crimes of rightist party element Wu Lin ...'
- (3) 'Our future is limitlessly excellent'.
- (4) 'Do not allow ...'
- (5) 'If the rightist party ...'
- (6) 'The way in which to ensure ...'
- (7) 'Are things completely messed up?'
- (8) Wei Shuang-feng, 'A survey of the living standards ...'
- (9) 'The experience of Gang Lie apc in developing the democratic method of fixing distribtuion', NFRB, 14th July 1957.
- (10) 'Consider carefully the true facts about the living standards of workers and peasants; strive to consolidate the worker-peasant alliance', NFRB, 25th Oct. 1957. .../Cont'd

TABLE 14: (Cont'd)

- Notes:
- (a) State grain levy plus local levies and 'water conservation grain'.
 - (b) Grain output specifically excludes soyabeans.
 - (c) A 'sha-tian' area.
 - (d) A hilly area.
 - (e) Grain tax is 'da-mi' (*husked rice*). *Converted to unhusked rice to*
 - (f) Reasonably representative of the whole xian. *calculate tax rate.*
 - (g) Agriculture plus sideline and miscellaneous income.
 - (h) Early harvest only.

TABLE 15: Value of labour day in different parts of Guangdong
(Unit: yuan)

Area		Year	Yuan
<u>Central District: Pearl River Delta</u>			
Guangzhou municipality, Bai Yun qu, Yang Qi xiang, No.1 apc	(1)	1955	1.35
Shi Qi municipality, suburban xiang	(2)	1956 1957(est)	1.2 1.6
Zhu Hai xian, Wan Qing Sha qu, Qun Jie xiang, Tai Yang Sheng apc	(1)	1955	2.7
<u>Central District: Non-Pearl River Delta</u>			
De Qing xian (245 apc's)	(3)	1956(?)	0.4-0.5
Zeng Cheng xian, San Lian apc	(4)	1956	0.7
<u>Eastern District</u>			
Cheng Hai xian, Xin Xi xiang, Jun Min You Xuan apc	(5)	1956	1.4
<u>Western District</u>			
Ping Yuan xian (6 apc's)	(6)	1956(?)	0.45
<u>Northern District</u>			
Qing Yuan xian, Shi Ban cun	(6)	1956	1.5
Jiao Ling xian (7apc's)	(7)	1956	0.54

- Sources:
- (1) Guangdong CCP, 'Forty agricultural producers co-operatives ...'
 - (2) 'Show the facts of the villages ...'
 - (3) Wu Yang-an, 'The victory of co-operativisation ...'
 - (4) 'The new face of co-operativisation'.
 - (5) 'Becoming well-off through being diligent and frugal', NFRB, 29th Nov. 1957.
 - (6) 'We must not be fooled by Luo Xi-qun', NFRB, 10th Aug. 1957.
 - (7) Yao Yu-ping, 'Our impressions from surveying the East River Area', NFRB, 11th Aug. 1957.

TABLE 16: Average net income (jing shou-ru) of agricultural population in Shenxi province in 1956
(Unit: yuan per capita)

Area	Yuan	% of agricultural population
All-province	64.29	100 (a)
i) Industrial crop area (in which: highest xian = 172.3 yuan in which: highest apc = 212 yuan)	125.7	15.3 (b)
ii) Main grain producing area	75.2	41.4 (c)
iii) Hilly area	42.79	34.6 (d)
iv) Extremely poor mountainous area, and disaster-stricken area (in which: two poorest xians = 15.64 yuan)	19.25	8.7 (e)

Source: Tan Zhen-lin, 'Preliminary survey ...'

- Notes:
- (a) Total number of households = 328,432; total number of people = 1,564,255.
 - (b) Total number of people = 2.320 million; income figure from a survey of 140,000 people.
 - (c) Total number of people = 6.2 million; income figure from a survey of over 660,000 people.
 - (d) Total number of people = 5.24 million; income figure from a survey of over 740,000 people.
 - (e) Total number of people = 1.32 million; income figure from a survey of 3,600 people.

TABLE 17: Average net income^(a) per peasant in different parts^(b) of Anhui province, 1936 and 1956 (Unit: yuan per capita)

Area	Category of peasant	1936	1956
Plain region	Poor	42.2	63.3
	Middle	57.7	71.6
Mountainous region	Poor	48.9	64.4
	Middle	60.7	78.3
Plain, cotton-growing region	Poor	39.3	77.9
	Middle	49.0	90.4
Dyked land bordering river	Poor	40.8	98.2
	Middle	89.0	104.2
Whole province		n.a.	71.9

Source: 'The question of the standard of living of the people in our province', AHRB, 29th Sep. 1957.

Notes: (a) Gross income minus seeds, fertiliser, purchase of new implements, and payment of agricultural tax.

(b) Data from a survey of one representative apc in each area.

TABLE 18: Peasant net income per capita in different xians in Guangdong (Unit: yuan)

Area	Year	Yuan
<u>Central District</u>		
Gao Yao xian, Long Zhong xiang (1)(a)	1953	79
	1955	67.7
	1956	86.4
Xin Hui xian (2)(b)	1952	43
	1955	65
	1956	85
Xin Xing xian (3)(c)	1952	51
	1956	71
Zeng Cheng xian, San Lian apc (4)(d)	1956	62.9
Zhong Shan xian i) Qun Zhong apc (5)(e)	1956	93.7
ii) Xi Jie apc (5)(e)	1956	81.7
iii) Min Zhu apc (5)(e)	1956	101.5
<u>Eastern District</u>		
Cheng Hai xian (6)(f)	1952	55.3
	1956	71.9
Mei xian (7)(g)	1948	30
	1952	40
	1954	66
	1956	78
<u>Northern District</u>		
Jiao Ling xian (8)(c)	1956	70
Lian Shan xian (9)(h)	1956	68
Qing Yuan xian (10)(i)	1956	26
Xin Feng xian (11)(j)	1956	65-70
<u>Western District</u>		
Ping Yuan xian (6 apc's)(12)(k)	1956	38.1
Xu Wen xian (3 "representative" apc's)(13)	1954	139.6
	1955	120.6
	1956	165.5
Yang Jiang xian, Gang Lie apc (1)	1956	30.0
	1957	46.5
<u>Hainan Island</u>		
Li-Miao autonomous zhou (c)	1955	83
	1956	119

.../Cont'd

TABLE 18: (Cont'd)

- Sources:
- (1) 'A survey of the living standards of the peasants in Long Zhong xian', XHBYK, No.10, 1957.
 - (2) Dan Xiang-min, 'The production situation ...'
 - (3) Mou Ke, 'The output and living standards ...'
 - (4) 'The new face of co-operativisation.'
 - (5) Wei Shuang-feng, 'A survey of the living standards ...'
 - (6) 'Who has enabled the flooded region to change into fertile land?', NFRB, 13th Aug. 1957.
 - (7) 'The living standards of the people in Mei xian ...'
 - (8) 'Training and transforming oneself ...'
 - (9) 'The two-nineties objective is surpassed'.
 - (10) 'The voters of Qing Yuan give Lin Kong Hu a severe reprimand', NFRB, 15th Aug. 1957.
 - (11) 'Do not allow ...'
 - (12) 'The peasants' living standard has risen greatly'.
 - (13) 'Are things completely messed-up?'
 - (14) 'The experience of Gang Lie apc ...'
 - (15) Chen Si-de, 'Last year ...'

- Notes:
- (a) From a detailed survey of twelve households; the figures seem to include domestic sideline income. Long Zhong xiang is in the "lower-middle" peasant category in terms of living standards relative to the surrounding xiangs in Gao Yao xian.
 - (b) Derived from per household figures on the assumption that the average size of peasant households in Xin Hui xian was the same as the provincial average, i.e. four (Source: 'Is the difference ...')
Net income per household in Xin Hui xian was as follows:
1952 = 170 yuan; 1955 = 260 yuan; 1956 = 340 yuan.
 - (c) Income figure given simply as 'shou-ru' (income) rather than specifically referring 'jing shou-ru' (net income).
 - (d) Income from apc only.
 - (e) Appears to include domestic sideline income.
 - (f) Refers to 'shou-ru' (income) rather than specifically 'jing shou-ru' (net income). Includes overseas remittances and domestic sideline production.
 - (g) From a model survey of 199 households in an apc representative of the semi-mountainous areas in Mei xian.

TABLE 18: (Cont'd)

Notes: ...

- (h) Refers to 'shou-ru'(income) rather than 'jing shou-ru' (net income). Derived from per household figures on some basis as outlined in note (b) above. Per household income in 1956 = 272 yuan.
- (i) Excluding private sideline income. Derived from per household figure on same basis as outlined in note (b) above. Per household income in 1956 = 102 yuan.
- (j) Refers to income ('shou-ru') distributed by apc.
- (k) Excludes private sideline income.
- (l) Including private sideline income.

TABLE 19: Net income per capita in different apc's in Northern Guangdong, 1956 (Unit: yuan)

Area/apc	Net income per capita:	
	(i) from apc	(ii) from private sideline production
Qing Yuan xian:		
i) Shi Ban apc	122	26
ii) Tai Yang Sheng apc	61	n.a.
iii) Nan Xing apc	45	26.6
Qing Yuan xian, Yuan Tan qu:		
i) Tuan Jie apc	86	20
ii) Xing Lian apc	46	n.a.
iii) Jin Xing apc	62	n.a.
Qu Jiang xian, Ma Ba qu:		
i) Ma Ju apc	91	n.a.
ii) Shi Bao Yi apc	89	10
iii) Xiao Keng Yi apc	49	n.a.
Shao Guan municipality, suburban area:		
i) Xi Xiang apc	62	n.a.
ii) Nan Xiang apc	80	20
iii) Dong Lian apc	42	n.a.
iv) Bei Xiang apc	69	25

Source: Peng Xiao-fan, 'One cannot speak nonsense ...'

TABLE 20: Income and purchasing power of peasants in different parts of Guangdong, 1952.

Item	(a) Qu Jiang xian, Da Cun cun	(b) Sui Xi xian, Gan lin cun	(c) Ying De xian, Lian Tang cun	(d) Gao Yao xian, Gai Zhang cun	(e) Hui Yang xian, Ai Po cun	(f) Zhong Shan xian Gang Kou cun
Gross income	75.6	78.3	64.6	80.5	92.4	155.9
Cash income	30.0	30.9	32.6	39.9	50.8	76.3
Commodity purchasing power of which:	25.2	24.2	30.6	33.3	43.6	60.2
A. Livelihood materials	20.98	16.08	24.91	29.12	27.62	47.42
of which:						
i) Grain	2.09	2.12	4.54	9.78	2.51	1.25
ii) Subsidiary foods	7.92	7.65	9.93	9.39	11.55	22.23
iii) Fuels	1.21	0.45	1.87	2.23	1.55	2.33
iv) Clothing	6.77	2.89	3.89	1.79	5.48	5.75
v) Health	0.39	0.42	0.45	1.44	1.32	3.17
vi) Other	2.59	2.65	4.19	4.59	5.21	12.69
B. Means of production	4.23	8.09	5.71	4.14	15.93	12.86
of which:						
i) Farm tools	0.77	1.09	1.04	1.32	2.99	2.23
ii) Livestock	3.18	2.45	2.56	1.66	5.91	1.42
iii) Fertiliser	0.03	3.18	1.92	0.31	5.13	3.14
iv) Other	0.25	1.37	1.91	0.86	3.69	6.07

Source: Chen Ying-zhong, 'Guangdong province village purchasing power ...'

Notes: The villages (cun) in this table were "all most carefully selected to represent the normal production circumstances of each xian". The different areas were described as follows: (a) relatively poor; (b) relatively poor; (c) relatively poor; (d) average; (e) upper average; and (f) relatively well-off.

TABLE 21: Per capita purchasing power of peasants in different parts of Guangdong (Unit: yuan)

Area	Year	Yuan	
All-Guangdong (1)	1955	68.3	
	1956	78.5	
Fo Shan s.d. (2)	1955	101	
	1956	111	
	1957	121	
	(est.)		
Gao Yao s.d. (3) (a)	1952	46	
	1954	55.5	
	1956	58.1	
Hainan Island (4)	1952	28.6	
	1956	41.32	
Gao Yao xian (5)	1955	75	
	1956	86	
Huai Ji xian (6)	1952	51.77	Central District
	1954	55.37	
	1955	56.89	
Hai Feng xian (7) (a)	1953	74.40	Eastern District
	1954	81.20	
	1955	84.82	
	1956	91.26	
Hai Kang xian (8) (a)	1952	44.32	Western District
	1956	54.96	

- Sources: (1) 'Presenting the facts ...'
- (2) Zheng Shao-tang, 'The people of the Pearl River Delta ...'
- (3) 'From poor to well-off ...'
- (4) 'The people of Hainan ...'
- (5) 'We definitely do not allow ...'
- (6) 'The mountainous region ...'
- (7) 'The great transformation of Hai Feng'.
- (8) 'Unmask the crimes of rightist element Wu Lin ...'

Notes: (a) Whole population.

TABLE 22: Grain retained (liu-liang) and grain ration (kou-liang) per capita of peasant population (Unit: jin)

Area	Year	Grain ration (kou-liang)	Grain retained (liu-liang)
Fo Shan S.D.	1955	n.a.	522(1)(a)
	1956	n.a.	633(1)(a)
Gao Yao S.D.	1954	n.a.	462(2)(b)
	1955	n.a.	467(2)(b)
	1956	n.a.	502(2)(b)
Hainan Island (whole population)	1956	n.a.	629.3(3)(c)(d)
Hui Yang S.D.	1953	484(4)	n.a.
(rural	1954	495(4)	n.a.
population)	1956	542(4)	n.a.
Jiang Men S.D.	1952	379	n.a.
(32)(dd)	1953	398	n.a.
	1954	413	n.a.
	1957	456	n.a.
	1958	480	n.a.
Shan Tou S.D.	1952	384(33)(k)	n.a.
	1955-6	456(5)(d)(e)	n.a.
	1956-7	433(5)(d)(e)	n.a.
	1958	470(33)(k)	n.a.
Shao Guan S.D.	Pre-Lib.	300(6)	n.a.
	1955	482(6)	n.a.
	1956	516(6)	n.a.
Zhan Jiang S.D.	1956	i) 350(approx)(7)(f) ii) 400-500(7)(g)	500-700(7)(h)
<u>Central District</u>			
<u>Pearl River Delta</u>			
Bao An xian	1956	514(8)(i)	n.a.
Fan Yu xian	1956	550(8)(i)	n.a.
Nan Hai xian	1956	550(9)	n.a.
Shun De xian	1956	480-550(8)(i)	n.a.
Xin Hui xian	1956	550(8)(i)	712(10)(j)
Zhong Shan xian	1956	550(8)(i)	n.a.
<u>Non-Pearl River Delta</u>			
De Qing xian	1956	500(approx)(11)	n.a.
Gao Yao xian	'san-ding'	461(12)(k)	n.a.
	1955	484(12)(k)	n.a.
	1956	548(12)(k)	n.a.
Guang Ning xian	1950	350(13)	n.a.
	1956	550-510(13)	n.a.
Huai Ji xian	1952	279(14)(1)	398(2)(a)
	1954	224.9(14)(1)	n.a.
	1956	314.36(14)(1)	449(2)(a)

TABLE 22: (Continued)

Area	Year	Grain ration (kou-liang)	Grain retained (liu-liang)
Luo Ding xian	1955	n.a.	356(2)(a)
	1956	413(32)	413(2)(a)
Po' Luo xian	1955	n.a.	500(approx)(15)
	1956	n.a.	700(15)(m) (m)
Tai Shan xian	1956	500-550(16)(n)	n.a.
Xin Xing xian	1955	n.a.	543(2)(a)
	1956	510(17)(a)(d)(o)	575(2)(a)(17)
Zeng Cheng xian	1956	520(18)(q)	n.a. (p)
<u>Eastern District</u>			
Chao An xian	1952	401(19)(b)	n.a.
	1956	476(19)(b)	n.a.
Hai Feng xian	Pre-Lib.	30-80(4)(r)	n.a.
	1954	318(4)(5)(t)	n.a.
	1955	333(4)(s)(t)	n.a.
	1956	366(4)(s)(t)	n.a.
Jiao Ling xian	1956	i) 500(20)(b)(s)	n.a.
		ii) 540(20)(s)(u)	n.a.
Lu Feng xian	1954	n.a.	197(4)(v)
	1955	n.a.	217(4)(v)
	1956	n.a.	250(4)(v)
Mei xian	1954	420(21)(a)	n.a.
(whole	1956	i) 472(21)(a)	n.a.
population)		ii) 480(8)(i)	n.a.
Rao Ping xian	1954	371.2(22)	n.a.
	1955	411.5(22)	n.a.
	1956	477.8(22)	n.a.
<u>Northern District</u>			
He Ping xian	1952	442(23)	n.a.
	1956	484(23)	n.a.
Lian Nan (Yao minority people's auto- nomous) xian	1956	600(24)(w)	n.a.
Lian Ping xian	1956	n.a.	672(25)
Lian Shan xian	1955	400(26)(x)	n.a.
	1956	600(+)(26)(x)	n.a.
Qing Yuan xian	1954	396(27)(a)	n.a.
	1956	499(27)(a)	n.a.
Qu Jiang xian	1949	n.a.	352(28)
	1952	n.a.	403(28)
	1954	n.a.	463(28)
	1955	n.a.	483(29)(y)
	1956	n.a.	i) 573(29)(y)
			ii) 625(28)
Xin Feng xian	1949	n.a.	414(30)(z)
	1953	n.a.	453(30)(z)
	1955	n.a.	488(30)(z)
	1956	n.a.	600(30)(z)

TABLE 22: (Continued)

Area	Year	Grain ration (kou-liang)	Grain retained (liu-liang)
<u>Western District</u>			
Ping Yuan xian	1956	i) 500(20)(b)(s) ii) 540(20)(s)(u)	n.a.
Sui Xi xian	1955	140(31)(aa)	n.a.
	1956	200(approx)(31)(aa)	480(7)(bb)
Yang Jiang xian	1956	n.a.	500(+)(7)(cc)

- Sources:
- (1) 'Overcome the phenomenon of laxness in grain supply', NFRB, 22nd Oct. 1956.
 - (2) 'From poor to well-off ...'
 - (3) Ying Xiong, 'Ying Yu-lin must bow his head ...'
 - (4) Yang Jun, 'The living standards of the peasants...'
 - (5) 'The rightist party's nonsensical utterances', NFRB, 11th Aug. 1957.
 - (6) Lin Ming-yuan, 'The superiority of the co-operative system ...'
 - (7) 'All households have adequate grain ration; also there is surplus grain for raising fowls and livestock', NFRB, 22nd Sep. 1956.
 - (8) Yang Meng, 'Is the rural population's grain consumption less than that of the cities?', NFRB, 13th Oct. 1957.
 - (9) 'Nan Hai xian all-roundedly develops output ...'
 - (10) 'If the rightist party ...'
 - (11) Wu Yang-an, 'The victory of co-operativisation ...'
 - (12) 'We definitely do not allow ...'
 - (13) Guo Yong, 'The facts of Guang Ning xian ...'
 - (14) 'The mountainous region ...'
 - (15) 'Po Luo xian grain output ...'
 - (16) Zheng Shao-tang, 'The people of the Pearl River Delta ...'
 - (17) Mou Ke, 'The output and living standards ...'
 - (18) 'The new face of co-operativisation ...'
 - (19) 'Water-disaster transformed ...'
 - (20) 'The peasants' living standard has risen greatly'.
 - (21) 'The living standards of the people of Mei xian ...'
 - (22) 'The APCs are really great'.
 - (23) 'The intellectuals must continue to strengthen the transformation of their ideology', NFRB, 11th Aug. 1957.

TABLE 22:.. (Continued)

Sources:
(continued)

- (24) 'What does the transformation ...'
- (25) 'The reason for the change in the appearance of Lian Ping xian's villages', NFRB, 18th Feb. 1957.
- (26) 'The two-nineties objective is surpassed'.
- (27) 'The voters of Qing Yuan ...'
- (28) 'Raise confidence in completing the grain tax and purchase task', NFRB, 17th Nov. 1957.
- (29) 'We must defend ...'
- (30) 'Do not allow ...'
- (31) Tao Zhu, 'Develop enthusiasm to a high level; struggle hard for a bumper harvest this year', NFRB, 22nd Feb. 1957.
- (32) 'Welcoming the victorious advance of the general line's red flag', NFRB, 16th Oct. 1959.
- (33) Luo Tian, 'Victoriously marching on the high output path', NFRB, 3rd Oct. 1959

Notes:

- (a) dao-gu.
- (b) Excluding coarse grain.
- (c) Of which: rice (dao-gu) = 436.4 jin, and sweet potatoes (in rice-equivalent) = 192.9 jin.
- (d) 'Consumption' (xiao-fei), not 'grain ration' (kou-liang).
- (e) liang-shi.
- (f) dao-gu: an area of Zhan Jiang S.D. which produces mainly coarse grain.
- (g) dao-gu: an area of Zhan Jiang S.D. which produces mainly rice.
- (h) Including coarse grain and fodder grain - "an increase of about 300 jin in relation to 1955". Zhan Jiang S.D. as a whole produces mainly coarse grain.
- (i) gu. Excludes seed and fodder.
- (j) Including fodder.
- (k) gu. Includes coarse grain.
- (l) zhu-liang. Excludes coarse grain.
- (m) Grain ration (kou-liang) 'retained'.
- (n) Excludes seed and fodder.
- (o) Excludes fodder, coarse grain, grain tax (gong-liang), and grain purchase task.
- (p) Includes fodder and coarse grain.
- (q) San Lian APC only. Grain ration (kou-liang) 'retained'.

TABLE 22: (Continued)

Notes:

(Continued)

- (r) da-mi.
- (s) Each person 'has' (mei ren you), not 'grain ration' (kou-liang).
- (t) zhu-liang. Main grain pre-liberation was coarse grain (principally potatoes).
- (u) Includes coarse grain.
- (v) Appears to refer to only zhu-liang in the context. Pre-Liberation, the main grain here was coarse grain (principally potatoes).
- (w) One APC only. dao-gu "from APC".
- (x) Excluding public grain (gong-liang), sales of surplus grain task, seeds and fodder.
- (y) yong-liang (grain used).
- (z) chun (net) dao-gu.
- (aa) dao-gu. A xian with "among the most disadvantageous natural conditions in the province". Pre-Liberation, the peasants ate mainly sweet potatoes.
- (bb) A survey of three xiangs. In 1955 Sui Xi xian had the lowest norm for retained grain in the whole of the Zhan Jiang S.D..
- (cc) Data is for 480 out of the 921 apc's in the xian. For the other xians, the figure was below 500 jin.
- (dd) Newly-formed in the administrative reorganisation after 1957.

TABLE 23: Per capita peasant consumption of non-grain items

Item/Area	Unit	1950	1951	1952	1954	1955	1956
<u>Edible Oil</u>							
He Pu s.d.(1)(a)	jin		0.5 (b)				2.5
Mei xian (2)(c)	jin				3.2		6.55
Lian xian (3)	jin						2.3 (d)
Jiao Ling xian (3)	jin						
Gao Yao xian (4)						3.7	4.0
<u>Cotton cloth</u>							
He Pu s.d.(1)(a)	chi		4.2				14.0
Huai Ji xian (5)	chi			13.6	16.5		15.6
Mei xian (2)(c)	chi				14.4		21.53
Xin Xing xian (6)	chi			10			14
Gao Yao xian (4)	chi					13	18
Guang Ning xian (7)(e)	chi	9.0					19.0
<u>Meat</u>							
He Pu s.d.(1)(a)	jin		0.75(f)				5.0
Chao An xian(8)(g)	jin			10.28			12.07
Jiao Ling xian (3)	jin						4.5-7.5 (e)(g)(h)
Lian xian (3)	jin						
Gao Yao xian (4)(g)						8.75	10.3
<u>Sugar</u>							
Xin Xing xian (6)	jin			3.63			5.125
Gao Yao xian (4)	jin					6	7

Sources: (1) 'The people of He Pu s.d.'
 (2) 'The living standards of the people of Mei xian ...'
 (3) Yao Yu-ping, 'Our impression ...'
 (4) 'We definitely do not allow ...'
 (5) 'The mountainous region ...'
 (6) Mou Ke, 'The output and living standards ...'
 (7) Guo Yong, 'The facts of Guang Ning xian ...'
 (8) 'Water-disaster transformed ...'

Notes: (a) A relatively poor village.
 (b) 8 liang.
 (c) Whole population.
 (d) 36 liang.
 (e) Purchases.
 (f) 12 liang.
 (g) Pork.
 (h) 72-120 liang.

APPENDIX E

TABLE 1: Impact of land reform in Guangdong: amount of assets redistributed in different parts of the province, (i) total, (ii) per capita of landless and land-short peasants

Item	Unit	All Guangdong (1)	Central Guangdong (2)	North Guangdong (3)	West Guangdong (4)	Hainan Island (5)
Grain (gu)	(i) million jin	910 (a)	866.25 (c)	156.40	338.679 (g)	118.0
	(ii) jin p.c.	57 (a)	124 (d)	55	n.a.	131
Land	(i) million mou	23	8.226 (e)	5.982	4.708 (h)	0.995
	(ii) mou p.c.	1.5 (b)	1.2 (d)	2.1	1.4 (i)	1.1
Draft animals	(i) no.	n.a.	85,323	20,000	8,515 (j)	n.a.
	(ii) no. p.c.	n.a.	0.012 (d)	0.0007	n.a.	n.a.
Houses	(i) million rooms	n.a.	0.390	0.311	0.061 (k)	n.a.
	(ii) rooms p.c.	n.a.	0.056 (d)	0.109	n.a.	n.a.
Farm tools	(i) million	n.a.	1.596 (f)	n.a.	0.058 (l)	n.a.
	(ii) no. p.c.	n.a.	0.23 (d)	n.a.	n.a.	n.a.

Sources: (1) Guangdong Land Reform Committee, 'Summing-up report ...'

(2) Wang De, 'Advancing ...'

(3) Wu Pu-an, 'On the basis of the victory of land reform ...'

(4) West Guangdong Office, 'West Guangdong's great achievements ...'

(5) Feng Bai-ji, 'Continue to make firm the victory ...'

TABLE 1: (Cont'd)

Notes:

- (a) Data is for areas including only the 16 million people who completed land reform in 1952.
- (b) On the crude assumption that 'landless and land-short' peasants came to one-half of the rural population of roughly 30 million in 1953.
- (c) In Zhong shan and Xin Hui xians alone 330 million jin was confiscated and re-distributed.
- (d) For whole rural population.
- (e) The data is ambiguous. Out of 22 xians and two municipalities in Central Guangdong, land reform had been completed in all areas, but checking-up had still to be completed in eight xians. It appears that estimates for these xians are indeed included in these figures, but is not made absolutely clear. This belief is strengthened by the fact that the figure given here for confiscated land in Central Guangdong comes to 36 per cent of the provincial total.
- (f) Large farm tools only.
- (g) From the beginning of 1951 to March 1953: including rent reduction and tun-jia campaign.
- (h) Data is for 1818 xiangs out of a total of 1976 xiangs in West Guangdong.
- (i) Data is for 869 xiangs only.
- (j) Data is for 232 xiangs only.
- (k) Data is for 245 xiangs only.
- (l) Data is for 230 xiangs only.

TABLE 2 Proportion of peasant households in collective organisations, All-China (per cent)

Year	Apc's plus mat's	Mat's	Lower-stage apc's	Higher-stage apc's
1950	10.91	10.9	-	-
1951	17.54	17.5	-	-
1952	39.90	39.9	0.1	-
1953	39.47	39.2	0.2	-
1954	60.32	58.4	1.9	-
1955 (June)	64.9	50.7	14.2	0.03
(Dec.)	n.a.	n.a.	59.3	4.0
1956 (June)	91.9	n.a.	28.7	63.2
(Dec.)	n.a.	n.a.	8.5	87.3

Source: Shi Jing-tang, Materials, pp.989-1019.

Note: Data for 1950-4 are all for end of June.

TABLE 3 Rate of agricultural tax at different levels of income in Guangdong, 1953

Average per capita agricultural income for the whole year (jin, dao-gu)	Tax rate (per cent) (a)
<150	no tax
150 - 200	6
201 - 250	7
251 - 300	8
301 - 350	9
350 - 400	10
401 - 450	11
451 - 500	12
501 - 550	13
551 - 600	14
601 - 670	15
671 - 740	16
741 - 810	17
811 - 880	18
881 - 950	19
951 - 1050	20
1051 - 1150	21
1151 - 1250	22
1251 - 1350	23
1351 - 1450	24
>1451	25

Source: 'The method for enforcing the agricultural tax levy ...'

Note: (a) "Complete amount progressive tax method".

TABLE 4: Proportion of peasant households in different strata in Guangdong (per cent) (a)

Peasant stratum	Pre-Liberation	1954 (Pre-co-operativisation)	1956 (Post-co-operativisation)
Poor	87.5 } 65.7	39.2	30 (b)
Hired			
Lower middle			53.3 (c)
Upper middle		5.6	
Rich	6.4	1.6	16.7 (d)
Landlord		-	-
Other	6.1	-	-
Aggregate	100.0	100.0	100.0

Source: 'Guangdong peasant living standards surpass their highest level in recent years', GZRB, 25th Jul. 1957.

- Notes: (a) From a survey of 509 peasant households by the Guangdong Provincial Statistical Department.
 (b) "Not well-off and peasants in difficulties"; 'five guarant' households occupy 14.5 per cent of these.
 (c) "Average" peasants.
 (d) "Well-off" peasants.

TABLE 5: Stratification in Long Zhong xiang, Gao Yao xian, Guangdong, after land reform (1953) and before collectivisation (1955)

Peasant strata	Total households	per cent	Total households	per cent
Landlord and rich peasant	38	6.2	38	6.2
New upper middle peasant	12	2.0	13	2.1
Old upper middle peasant			21	3.4
New lower middle peasant	147	24.0	167	27.2
Old lower middle peasant			138	22.5
Poor peasant	416	67.9	236	38.5
Total	613	100.1	613	100.2

Source: 'A survey of the living standards of the peasants in Long Zhong xiang'.

TABLE 6: Changes in average net income per capita of different strata in Long Zhong xiang, Gao Yao xian, Guangdong(a)
(Unit: yuan)

<u>Year</u>	<u>Poor peasants</u>	<u>Lower middle peasants (b)</u>	<u>Landlords(c)</u>
1949 (d)	47.1	57.1	121.5
1952	69.2	-	-
1953 (e)	86.1	82.2	41.2
1954	68.7	-	53.6
1955	76.2	62.2	47.8
1956 (f)	80.1	80.7	71.4

Source: 'A survey of the living standards of the peasants in Long Zhong xiang.'

- Notes: (a) Using original pre-land reform categories throughout.
 (b) Three households.
 (c) Two average landlord households.
 (d) Pre-Liberation.
 (e) Post-land reform.
 (f) Post-collectivisation.

TABLE 7: Transformation of the class structure in the countryside after land reform, All-China

Peasant stratum	No. of households at end of land reform	Change by the end of 1954				
		Co-op members	Poor and hired peasants	Middle peasants	Rich peasants	Former landlords
(i) Absolute numbers of households						
Total	14,334	608	4,152	8,908	305	363
Poor and hired peasants	8,191	342	3,844	3,991	14	-
Middle peasants	5,128	255	206	4,601	66	-
Rich peasants	514	8	30	252	224	-
Former landlords	375	3	3	5	1	363
Others	126	-	67	59	-	-
(ii) Per cent of households						
Total	100.0	4.2	29.0	62.1	2.2	2.5
Poor and hired peasants	57.1	4.2	47.0	48.7	0.2	-
Middle peasants	35.8	5.0	4.0	89.7	1.3	-
Rich peasants	3.6	1.6	5.8	49.0	43.6	-
Former landlords	2.6	0.8	0.8	1.3	0.3	96.8
Others	0.9	-	53.2	46.8	-	-

Source: Tong Da-lin, The great development, p.5.

Note: From a survey of 14,334 peasant households in 21 provinces.

TABLE 8.: Changes in ownership of major means of production in Chinese countryside (a)
from land reform to 1954

Peasant stratum (b)	Average holdings of arable land per household (mou)		Ownership per household at end of 1954 as per cent (c)				
	(i) at end of land reform	(ii) at end of 1954	(i) arable land	(ii) draft animals	(iii) ploughs	(iv) water wheels	(v) rubber-tired carts
Poor and hired peasants	12.46	13.74	110.3	169.4	124.4	114.4	240
Middle peasants	19.01	19.54	102.8	132.1	107.4	107.0	n.a.
Rich peasants	25.09	25.59	102.0	145.4	107.7	106.6	1060
Former landlords	12.16	13.14	108.1	n.a.	n.a.	n.a.	n.a.

Source: 'Concise and important materials ...'

Notes: (a) From a survey of over 16,000 peasant households in 25 provinces.

(b) The divisions used here are those of land reform.

(c) This is ambiguous, as the Chinese term 'zeng-zhi' can mean either 'per cent increase' or 'per cent of'; it has been assumed that the latter term is implied here.

TABLE 9: Change in income of apc members in 1956 relative to 1955

Area	Per cent with fall in income		Per cent with rise in income		Per cent with stable income	
	(i) apc members	(ii) apc's	(i) apc members	(ii) apc's	(i) apc members	(ii) apc's
All Guangdong	15(1)(2)	n.a.	70(3)(a)(b)	n.a.	n.a.	n.a.
Gao Yao s.d.	(4) 17.9(a)(c)	n.a.	66.6(a)(c)	n.a.	15.5(a)(c)	n.a.
Hainan Island	14(5)(a)(d)	40(6)	70(5)(a)(d)	n.a.	16(5)(a)(d)	n.a.
Shao Guan s.d.	(7) 17.5(a)(e)	n.a.	71.2(a)(e)	n.a.	11.3(a)(e)	n.a.
De Qing xian	(8) 16(f)	n.a.	81(f)	n.a.	3(f)	n.a.
Guang Ning xian	(9) n.a.	n.a.	70(+)	n.a.	n.a.	n.a.
He Ping xian	(10) <25(g)	n.a.	75(+)(g)	n.a.	n.a.	n.a.
Lian Shan xian	(11) <1	n.a.	99	n.a.	n.a.	n.a.
Rao Ping xian	(12) n.a.	n.a.	80	n.a.	n.a.	n.a.
Shun De xian	(13) 20-30	n.a.	n.a.	n.a.	n.a.	n.a.
Xin Hui xian	(14) <10	n.a.	90	n.a.	n.a.	n.a.
Yu Nan xian	(15) n.a.	40	n.a.	n.a.	n.a.	n.a.

Sources: (1) Editorial, 'Struggle hard for a bumper harvest', NFRB, 16th Feb. 1957.

(2) Tao Zhu, 'Develop enthusiasm to a high level ...'

(3) Guangdong CCP, 'Directive concerning the development ...'

(4) 'From poor to well-off: a mountainous area has changed its appearance', NFRB, 12th Aug. 1957.

(5) 'The people of Hainan don't permit the slanderous rumours of rightist element Yun Ying-lin', NFRB, 7th Aug. 1957.

TABLE 9: (Cont'd)

- Sources:
- (6) 'Hainan qu fixes a new guideline for the development of agricultural production', NFRB, 7th Sep. 1956.
 - (7) Lin Ming-yuan, 'The superiority of the co-operative system cannot any longer be denied', NFRB, 5th Aug. 1957.
 - (8) Wu Yang-an, 'The victory of co-operativisation is encouraging us to march forward', NFRB, 18th Aug. 1957.
 - (9) Guo Yong, 'The facts of Guang Ning xian also refute the absurd statements of the rightist party', NFRB, 18th Aug. 1957.
 - (10) 'The intellectuals must continue to strengthen the transformation of ideology', NFRB, 11th Aug. 1957.
 - (11) 'The two-nineties objective is surpassed', NFRB, 18th Feb. 1957.
 - (12) 'The apc's are really great', NFRB, 16th Aug. 1957.
 - (13) 'From Shun De xian ...'
 - (14) 'Eighty-one per cent of co-ops increase production', NFRB, 4th Feb. 1957.
 - (15) 'Over one thousand apc members who had left the apc voluntarily return to the apc', NFRB, 5th Oct. 1956.

Notes:

- (a) 'Households', not 'people'.
- (b) Excluding areas hit by natural disasters, about 75-80 per cent of co-operative households increased their income.
- (c) Data is for 611,414 co-op member households for income distribution at end of 1956.
- (d) Data is for all of the 214,305 households in Hainan's 3,295 apc's in the autumn income distribution.
- (e) Total number of apc's = 4,810, of which 93.7 per cent were higher-stage, containing 97.4 per cent of peasant households.
- (f) Data is for 47,924 apc member households.
- (g) Data is for all 326 apc's in the xian.

TABLE /0: Inequality of income in first and fourth higher-stage apc's, Yu Cheng xiang,
Hai Yan xian, Zhejiang province, 1956. (Unit: yuan)

Peasant stratum	Number of		1956 net income		Per cent increase in 1956 over 1955
	(i) households	(ii) people	(i) per household (yuan)	(ii) per capita (yuan)	
Aggregate	422	1578	353.1	94.4	25.0
Poor peasants	68	193	218.3	76.8	24.3
New lower middle peasants	59	209	291.7	82.3	30.1
Old lower middle peasants	122	412	337.0	99.8	20.2
New upper middle peasants	32	142	436.0	98.2	30.1
Old upper middle peasants	132	592	455.9	101.8	26.8
Others	9	30	184.1	55.2	3.5

Source: Li Bai-guan, 'On the distribution of income ...'

TABLE 11: Inequality in number of pigs for different peasant strata in Fan Tian higher-stage apc, Yu Xin xiang, Jia Xing xian, Zhejiang province, March 1957

Peasant stratum	Total	Average number		Number of households
		(i) per household	(ii) per capita	
Aggregate	257	1.16	0.29	222
Poor peasant	62	0.68	0.23	91
Lower middle peasants:				
(i) new	52	2.00	0.43	26
(ii) old	6	1.20	0.43	5
Upper middle peasants:				
(i) new	32	1.78	0.30	18
(ii) old	58	1.30	0.31	45
Rich	23	1.10	0.22	21
Landlord	24	1.50	0.32	16

Source: 'A preliminary investigation of the question of increasing the income of poor peasants'.

Note: These are using the pre-co-operativisation categories. After co-operativisation, about one-half of the poor peasant households rose to the level of lower middle peasants and some rose to the level of new upper middle peasants. Forty peasant households were still left in the poor peasant category in 1957.

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